

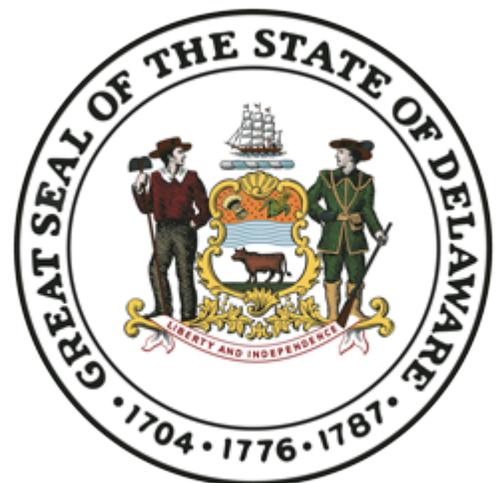
**State of Delaware
Office of Auditor of Accounts**

**Statewide eSchoolPLUS and Unit Count
Inspection**

Fiscal Year Ending June 30, 2016

**Issuance Date: May 4, 2016
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R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts





**State of Delaware
Office of Auditor of Accounts
R. Thomas Wagner, Jr., CFE, CGFM, CICA**

At a Glance

Working Hard to Protect YOUR Tax Dollars

Why We Did This Review

The Office of Auditor of Accounts (AOA) conducted an inspection of eSchoolPLUS and the annual Unit Count (also known as the September 30th Unit Count) for the period July 1, 2015 through June 30, 2016 to determine the sufficiency and reliability of the processes encompassing the Unit Count.

This inspection was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*.

For further information on this release, please contact:

R. Thomas Wagner, Jr.
State Auditor
r.thomas.wagner@state.de.us
(302) 739-5055

What We Found

Some districts and charter schools failed to develop individualized policies and procedures governing Unit Count. AOA also encountered instances where the individual assigned to perform Unit Count tasks had not attended the annual training offered by DOE, resulting in those individuals being unfamiliar with key reports and processes.

Our enrollment review identified 9 students who should not have been included in the Unit Count. These disallowances were attributed to errors and failure to follow the requirements provided for in *DOE's Unit Count Regulations Manual*.

We also found that some schools had no process to verify attendance, some schools were missing reports and documentation, and some schools had reporting issues. Additionally, AOA determined that there is no statewide standard for documentation that should be included in each school's comprehensive enrollment file.

AOA identified 28 disallowances as a result of our review of Early Admissions to Kindergarten. These disallowances were attributed to errors, missing documentation, and inconsistencies in performing evaluations.

During our funding review, AOA found that there is no uniform process for tracking the allocation of earned units, which impeded AOA's ability to complete review procedures.

DOE has sufficient resources and processes in place for the monitoring of Units earned for special education and their allocation. However, the same amount of resources are not available for monitoring of the Units related to regular education. Monitoring of regular education units is currently being performed by the DOE Unit Count Coordinator in addition to the other responsibilities assigned to this role.

Lastly, AOA found weaknesses in the IT controls surrounding Unit Count PLUS that DOE should address to ensure proper segregation of duties and continuity of operations.

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Abbreviations

AOA	Auditor of Accounts
AOC	All Other Costs
CMO	Charter Management Organization
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CRSD	Caesar Rodney School District
CTE	Career and Technical Education
DOD	Department of Defense
DOE	Department of Education
DSU	Delaware State University
FISCAM	Federal Information System Controls Audit Manual
FSR	Full Student Register
HS	High School
IDEA	Individuals with Disabilities Education Act
IEP	Individual Education Plans
IMS	Identity Management System
IT	Information Technology
K	Kindergarten
NCCVT	New Castle County Vo-Tech
OMB	Office of Management and Budget

The generic term “districts” is used throughout this report to refer to both school districts and charter schools unless otherwise noted.

Objective, Scope, and Methodology

The objective was to determine the reliability and sufficiency of the various processes that contribute to the annual Unit Count for the period of July 1, 2015 through June 30, 2016. Our inspection concentrated on analyzing the processes that can result in the incorrect funding based on ineligible student enrollment.

The Office of Auditor of Accounts (AOA) performed the following procedures:

- Obtained the Full Student Register (FSR) attendance report to corroborate Unit Count numbers submitted by schools.
- Obtained attendance records for Unit Count training to determine if all districts and charter schools were represented.
- Inspected the processes in place regarding Unit Count to determine if they are in line with the *DOE Unit Count Regulations Manual*.
- Interviewed various school staff regarding the processes around Unit Count to determine their understanding.
- Obtained details regarding DOE staff duties covering Unit Count processes to determine if current staffing is sufficient.
- Evaluated the process to admit students early to kindergarten.
- Reviewed and evaluated IT controls for Unit Count PLUS.

Our observations, findings, and related recommendations resulting from these procedures are presented in this report.

This inspection was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*.

Background

Introduction

At September 2015, the Delaware Department of Education (DOE), located in Dover, served 19 school districts and 27 charter schools.¹ DOE's mission is to promote the highest quality education for every Delaware student by providing visionary leadership and superior service. DOE is headed by a cabinet secretary and consists of approximately 261 staff members. DOE's major funding source is the State General Fund.

Delaware school districts and charter schools receive State funding based on a calculation by DOE using the September 30th Unit Count. Pursuant to 14 Del. C. §1704(1), the number of units² shall be calculated based upon the total enrollment of pupils as of the last school day of September. All students are monitored for attendance during the last 10 student days of September to determine their inclusion in the Unit Count. The Unit Count calculation includes the total pupil enrollment on the last school day in September³ and considers various factors such as grade level and, if applicable, the special education needs of the child. According to *DOE's Unit Count Regulations Manual* and Unit Count Training materials, enrollment is defined as "...unless there is reason to believe that a pupil's attendance during the ten-day period is fleeting or momentary, his/her presence in school for all or part of the 10 days effectively 'enrolls' him/her as of the last day of September for the school year." The 2015 Unit Count began on Thursday, September 17, 2015,⁴ and ended on Wednesday, September 30, 2015. This period may also be referred to as the FY16 Unit Count.

All districts and charter schools complete the September 30th enrollment and unit computation reporting requirements through a link between eSchoolPLUS,⁵ the statewide pupil accounting system, and Unit Count PLUS, a DOE web-based Identity Management System (IMS) application that enables districts and charter schools to verify their September enrollment and unit allotment reporting requirements. eSchoolPLUS offers the following tools for managing student information:

- *Student Administration* – Provides school districts with the tools to manage day-to-day student administration and information such as enrollment, demographics, schedules, attendance, discipline, standardized tests, report cards, and transcripts.
- *Teacher Access Center* – Provides teachers with an online gradebook, assignment and attendance management system, and the ability to easily communicate with parents.

¹ The Delaware Met, which was included in our review, closed on January 19, 2016.

² Units equate to positions.

³ See 14 Del. C. §1704.

⁴ An in-service day during the 10-day window allows for the school district or charter school to back up a day for the start date (i.e. Unit Count would begin on Wednesday, September 16, 2015 and end on Wednesday, September 30, 2015).

⁵ eSchoolPLUS is a comprehensive student information management application that provides powerful tools for teachers, administrators, parents, and students. This application was developed by SunGard Public Sector Inc.

- *Home Access Center* – Provides parents the ability to be more informed of their child’s grades, attendance, assignments, and discipline information.
- *IEPPLUS* – Provides school districts with a means to manage all Individual Education Plans (IEP)⁶ for students with special education needs, which streamlines the Federal and State special education reporting process.

How is the Unit Count Performed?

The Unit Count process is performed at the school district level and starts when a student is enrolled in a district and his or her information is entered into eSchoolPLUS. System access is controlled through a user file.⁷ District and charter school staff are assigned access rights either at the school level or both the district and school levels. The required Unit Count calculations prescribed by 14 Del. C. §1703(a) are preloaded into the system. Provided the formula⁸ is coded correctly in the system, this process will help ensure the mathematical accuracy of the Unit Count calculation.⁹ Once the Unit Count process starts, the following events occur:

- Enrollment and student demographic data for each student, including special education data maintained in eSchoolPLUS, is captured twice daily at 11:30 a.m. and 11:30 p.m. This data is then loaded into Unit Count PLUS, which automatically generates enrollment, units, and district-level position allotments.
- All IEP information entered into IEPPLUS is integrated into eSchoolPLUS as scheduled by the individual district/charter school and then captured twice daily, along with enrollment and student demographic data for each student, at 11:30 a.m. and 11:30 p.m. The IEP information is then loaded into Unit Count PLUS.

After the Unit Count process is complete, the district/charter school’s Unit Count Coordinator is required to submit both the signed and dated cover letter, and the signed and dated Needs Based Detail by School Report for all schools in their district/charter school to the State Unit Count Coordinator¹⁰ by the designated deadline. Each building administrator is required to generate the eSchoolPLUS Full Student Register (FSR) Attendance report. This report is signed and dated by the building administrators and placed in the school’s comprehensive enrollment file as verification of student attendance during the last 10 school days of September. After all reports are received and reviewed by the Unit Count Coordinator, the Secretary of Education certifies the Unit Count. Certification occurs in November.

How are Units Calculated?

Delaware Code mandates how units are earned based on the funding needs category and the number of pupils in attendance during Unit Count. The units earned are also used to calculate

⁶ IEPs are federally mandated by the Individuals with Disabilities Education Act. An IEP documents the individualized objectives of a child who has been found with a disability, as defined by federal regulations.

⁷ A profile set up in eSchoolPLUS that users login in with to complete assigned tasks.

⁸ See Table 1.

⁹ Key factors to Unit Count calculation include: 1) eligible student, 2) appropriate grade level, 3) accuracy of funding needs category, and 4) preloaded formula prescribed by State code.

¹⁰ See Section “DOE Staffing” for the State Unit Count Coordinator’s duties as it relates to the Unit Count.

the number of administrators and other instructional staff earned. Table 1 below shows teacher units that are earned per a prescribed number of pupils counted in each funding needs¹¹ category.

Table 1: Teacher Units	
Funding Needs Category¹²	Teachers Earned¹³
Preschool	1 per 12.8 pupils
K-3 (Regular and Special Education)	1 per 16.2 pupils
4-12 Regular Education	1 per 20.0 pupils
4-12 Basic Special Education (Basic)	1 per 8.4 pupils
Pre K-12 Intensive Special Education (Intensive)	1 per 6.0 pupils
Pre K-12 Complex Special Education (Complex)	1 per 2.6 pupils

Table 2 below provides examples of other administrative and instructional positions that are generated based on the total number of units earned.

Table 2: Division I Administrator and Support Staff Units	
Position¹⁴	Positions Earned¹⁵
Superintendent ¹⁶	1 per District
Assistant Superintendent	1 per 300 units (maximum 2)
Director	1 per first 200 units; 1 per 100 units thereafter (maximum 6)
Supervisor	1 per 150 units
Supervisor of Transportation	1 per 7,000 or more transported pupils
Specialist – Visiting Teacher	1 per 250 units
Specialists – Related services positions which include physical therapists, occupational therapists, speech language pathologists, school psychologists or other related service specialist	1 per 57 units K-3, 4-12 Regular Education, and 4-12 Basic; 1 per 5.5 Intensive units; 1 per 3 Complex units

Occupational-vocational units are also calculated in Unit Count PLUS based on the schedules for students who are enrolled in state-approved Career and Technical Education (CTE) Program courses.¹⁷ Delaware CTE Programs include, but are not limited to, Agriscience, Business Finance and Marketing, Family and Consumer Sciences, and Skilled and Technical Sciences.¹⁸

¹¹ A rubric used for calculating the student-teacher ratio based on the level of instructional, behavioral, personal, or health support needed, as described in 14 Del.C. ch.17.

¹² For unit definitions, please refer to 14 Del. C. §1703(d).

¹³ See 14 Del. C. §1703(a).

¹⁴ 14 Del. C. §1301 states that position classifications are defined by the certifying board.

¹⁵ See 14 Del. C.13.

¹⁶ Per 14 Del. C. §1306(b), each school district is entitled to one superintendent. The superintendent’s salary scale incorporates the number of units earned into the salary calculation.

¹⁷ The scheduling component of eSchoolPLUS tracks the number of minutes in each approved CTE class. In addition, the system ensures that those students who are enrolled in both regular and occupational-vocational programs are not double-counted during the Unit Count.

¹⁸ Information obtained from <http://www.doe.k12.de.us/Page/157>.

Because New Castle County Vocational Technical School District, Polytech School District, and Sussex Technical School District are vocational school districts, every 30 students enrolled earns one occupational-vocational unit. For all other districts and charters, occupational-vocational units are based on the minutes per week a pupil is provided an approved CTE Program.¹⁹

How is Funding Received?

There are three primary state funding types received by public school districts and charter schools as a result of the units earned through the September 30th Unit Count: Division I (Salaries and Benefits), Division II (All-Other Costs and Energy), and Division III (Equalization).

Division I (Salaries and Benefits)

Division I funding pays the state share of salary and benefits.²⁰ It is intended to provide approximately 70% of an employee's salary with the balance provided by local funds.

Division II (All Other Costs and Energy)

Division II funding, which consists of All-Other Costs (AOC) and Energy,²¹ is calculated based on the number of units earned. AOC funding provides resources for the classroom which include textbooks, furniture, and other classroom equipment. Energy funds pay to heat and cool school buildings.

The unit values of AOC and Energy are approved annually in the Operation Budget Bill. For FY 2016, school districts and charter schools will receive \$2,925 for each AOC Unit and \$2,435 for each Energy Unit.²² For example, for every 100 units, the school district or charter school would receive \$292,500 for AOC and \$243,500 for Energy.

Division III (Equalization)

Division III funding, referred to as equalization funding, attempts to balance the disparity in funding received by districts as a result of disproportionate property values.²³ Equalization is intended to ensure that each district has substantially the same level of resources with which to educate each student. School districts receive varying amounts based on a complex tax effort formula that takes into consideration the property wealth of a district compared to the State average property wealth, as well as the district's tax effort, or willingness of the district's citizens to accept higher tax rates. The Equalization Policy Committee was established in 1989 to review the formula annually and make recommendations as needed.²⁴ Upon completion of the calculation, total state equalization shall be computed by multiplying the State's share per unit times the number of units of pupils enrolled in the district or charter in the fiscal year for which the Division III funds are appropriated. Division III funding is discretionary and may be used by school districts for virtually any legal purpose.

¹⁹ See 14 Del. C. §1703(g).

²⁰ See 14 Del. C. §1702.

²¹ See 14 Del. C. §1702, §1706.

²² See FY 2016 House Substitute No. 1 for House Bill No. 225, Section 318, page 213.

²³ See 14 Del. C. §1702, §1707(g).

²⁴ Information obtained from 2016 Equalization Committee Report.

School Funding and Appropriation

Since the Unit Count is not finalized until after the school year begins, DOE performs preliminary calculations in June of each year, and OMB preloads a portion of Division I, II, and III funds at the beginning of the new fiscal year. DOE and OMB continuously monitor Division I funds and OMB will transfer funding over to meet salary and benefit needs as necessary. After the November certification of the Unit Count by the Secretary of Education, the remaining Division II and Division III funds are transferred to the school districts by OMB, through DOE.

If, after the units are certified, a student is disqualified through a Unit Count audit by the State Auditor, the units will be recalculated without that student. Another eligible student shall not be substituted for the disqualified student. A student who has been identified as special education and is receiving special education services that is disqualified from the Unit Count due to irregularities contained within supporting documentation may be included in the regular enrollment category provided the student meets eligibility requirements. Only a student disqualified by the audit process may be reassigned to another unit category. In no event can this adjustment result in a net increase in units for a district.²⁵

Out-of-state children whose parent or legal guardian is employed on a full-time basis by any school district may attend school in the district where the parent or guardian is employed during the period of the parent or guardian's employment upon written approval of the receiving district and payment of tuition, if charged by the district. Such children may not be included in the September 30th Unit Count for state funding purposes.

Student dependents of military and civilian Department of Defense (DOD) personnel who reside in Dover Air Force Base housing and are enrolled in a district through the School Choice program²⁶ or in a charter school must be reported by the receiving district/charter school to the Caesar Rodney School District (CRSD).²⁷ Federal funds covering educational services for these students are then transferred by the CRSD to the State to cover state costs associated with their education and to the receiving district to cover local costs.

DOE Special Education Monitoring

DOE is authorized by Title 14 of the Delaware Code to adopt rules and procedures to administer and authenticate the count of children with disabilities as outlined in Chapter 17, Title 14 of the Delaware Code. DOE conducts verification processes to ensure districts and charter schools report students in special education units in a manner consistent with 14 Del. C. §1703 and 14 DE Admin. Code Section 928 and 701. The number of special education units reported by the districts and charter schools in 2015 will be compared to the number reported in 2014. If 5% more or less units in a category are reported between 2014 and 2015, DOE shall:

- Contact the district/charter school and request a written explanation for the increase or decrease in units reported, and/or;

²⁵ See 14 Del. Admin. Code §701 (8.0).

²⁶ The School Choice Program is established by 14 Del.C. ch. 4, which allows students to attend a school which is not a part of the district in which they reside.

²⁷ Dover Air Force Base housing lies within the CRSD.

- Conduct a formal audit of the units reported by the district/charter school. The audit may include, but is not limited to, on-site record reviews, as well as classroom observations, and/or interviews with teachers, administrators, related service providers, and other school staff.

DOE currently conducts on-site compliance monitoring of each district and charter school on a five year rotating cycle. The districts and charter schools monitored by DOE during the 2015-2016 school year will also be included in a verification process to ensure the proper count of children with disabilities are reported. If DOE receives any information indicating the erroneous reporting of special education units, DOE may conduct a verification process, and/or refer the matter to the State Auditor and other agencies as required by law.

DOE is authorized by the Delaware Code to request financial reports or other information deemed necessary from districts and charter schools to ensure the appropriate use of units earned.²⁸ Districts and charter schools are required to comply.

The Delaware Code requires school districts and charter schools to count students with disabilities in needs based funding categories based on the individual needs of each student. At the completion of the IEP team meeting, the team, which includes parents or guardians, must discuss and review the needs based funding category as it relates to the adequacy of resources to implement the IEP.²⁹ The review and discussion should occur at least once a year, and may coincide with the IEP team's annual review of the child's IEP.³⁰ DOE can report information to the State Auditor and take any additional actions required by law.

DOE Staffing

The State Education Associate Unit Count Coordinator plays an integral role in the Unit Count process and is the primary point of contact for all districts and charter schools. The Unit Count Coordinator's responsibilities are not limited to the Unit Count process, and include the following:

- April 1st Charter Enrollment,
- Estimated Unit Count,
- May 1st Charter Enrollment & Unit Allotment,
- September 30th Unit Count,
- Unit Count Training,
- Statewide School Choice Coordinator (policies and procedures, applications, and forms development and maintenance),
- Non-public Schools' Coordinator (policies and procedures),
- Charter Closures (relocation of active students to their new schools, fulfill records request, and send student cumulative folders to their new school), and

²⁸ See 14 Del. C. §1703 (9).

²⁹ See 14 Del. C. §1703(d)(8).

³⁰ See 34 C.F. R. Section 300, 324.

- Statewide School Profiles Coordinator (August release, October release, January release, April release).

The School Accounts State Education Associate performs necessary duties to load the funds into accounts for the school districts. This role includes:

- Allocating and overseeing the administration of state school funds generated as part of the Unit Count process, which includes completing the template to preload money into district accounts in June,
- Converting Division II and III units into dollars after the Unit Count is certified, and
- Making adjustments as necessary based off further review.

The Director of Exceptional Children Resources performs duties involving Special Education including:

- Monitoring of statewide Special Education, and
- Overseeing the State’s compliance with the Individuals with Disabilities Education Act (IDEA) by monitoring various performance indicators.

Early Admission to Kindergarten

A child entering kindergarten must be age 5 on or before August 31st of the respective year. The law states that early admission to kindergarten for gifted students should be determined by professionally qualified persons³¹ and the local district’s assessment of the best interest of the child.³² All districts and charter schools must be able to demonstrate through documentation that these students are “gifted and talented.” Documentation as to how these students were determined to be “gifted and talented” should be aligned with 14 Del. C. §2702(b) and should be included in the district/charter school’s Unit Count comprehensive enrollment file.

Funding for charter schools is limited to students lawfully enrolled in grades K through 12 as the charter school may be approved to operate. Unlike the districts, charter schools shall not include any Pre-K students in their enrollment for Unit Count purposes.

Unit Count Training

Unit Count Training is provided by DOE to all school districts and charter schools every year. During the training, the State Unit Count Coordinator reviews the Unit Count process and highlights any changes from the previous year. Reference materials and guides are provided on the DOE website after the training. Unit Count Training is highly encouraged but is not mandatory.

³¹ See 14 Del. C. §3101(6).

³² See 14 Del. C. §2702(b).

Procedures and Results

In 2008, DOE converted from a manual Unit Count process to an automated process using the eSchoolPLUS environment. In 2011, DOE implemented Unit Count PLUS in response to the Needs Based Funding law changes. Unit Count PLUS integrates with eSchoolPLUS and calculates the units earned by funding needs categories as described in the background of this report.

While the 2011 implementation of Unit Count PLUS, as described in the background section, reduced the risk of funding calculation errors and moved the environment from a highly manual to a more automated process, there is still a need to ensure that units as reported in the system are valid, properly classified, and supported. A portion of this process is, and will continue to be, reliant on key manual processes. It is critical that these processes support the validity and accuracy of the Unit Count and the subsequent Division I, II, and III funding.

Our inspection concentrated on analyzing the reliability and sufficiency of processes that can result in incorrect funding based on ineligible student enrollment.

Need For Management’s Participation in Key Operational Activities

Low Entrance Conference Participation

At the onset of the engagement, the Office of the Auditor of Accounts (AOA) held entrance conferences with the districts and charter schools³³ to inform the Superintendents, Charter School Heads, and Unit Count personnel of our work. Despite the teleconference arrangement offered, there was a lack of participation from several districts and charter schools. While low participation alone does not represent a major concern, such inattentiveness may have contributed to various weaknesses identified throughout the report.

Of the 19 school districts, Appoquinimink³⁴ and Colonial School Districts were not represented during the entrance conference. Fourteen of the 27 charter schools (52%) also did not have representation during the entrance conference. Of those 14, three of the schools below permitted Innovative Schools³⁵ representatives to participate on their behalf. The charter schools that did not directly participate are as follows:

- Academia Antonia Alonso³⁶
- Academy of Dover
- Charter School of Wilmington
- Delaware Academy of Public Safety and Security
- Delaware College Preparatory Academy
- Delaware Military Academy
- Early College High School at DSU³⁶

³³ Appendix A details the total population of State of Delaware schools.

³⁴ Appoquinimink reported that they did not receive AOA’s communication of the entrance conference due to issues with their email system.

³⁵ See section labeled “Innovative Schools” for more details regarding this entity.

³⁶ Represented by Innovative Schools during the entrance conference.

- EastSide Charter School
- Family Foundations Academy
- Gateway Lab School
- Great Oaks Charter School³⁶
- Odyssey Charter School
- Prestige Academy
- Thomas Edison Charter School

Innovative Schools

Many of the charter schools use Innovative Schools as their Charter Management Organization (CMO). Innovative Schools³⁷ is a non-profit resource center for Delaware public schools. It serves as a local intermediary for the State of Delaware, and acts as an on-the-ground partner to public schools located within the State. According to Innovative Schools, they research highly successful programs countrywide that align with the State's initiatives. Innovative Schools works directly with schools to implement these programs efficiently and effectively. Innovative Schools provides education and staffing support and also administrative functions to these schools.

AOA expected school personnel trained in Unit Count procedures to handle communication throughout the engagement. However, we found that the Innovative Schools Project Manager and many of her colleagues were the main points of contact for several of the charter schools during the Unit Count. While Innovative Schools could serve to support management in operational processes, the charter schools are still directly responsible for the outcome. Any delegation of roles and responsibilities to perform key functions must be closely monitored and authorized by management.

Failure to Develop and Implement Written Policies and Procedures

DOE, in their Unit Count Training, indicated that all districts and charter schools should have a set of policies and procedures specific to the Unit Count process that notates roles and responsibilities. As such, AOA requested policies and procedures from all school districts and charter schools.³⁸ We found the following districts and charter schools conducted their Unit Count without a policy and procedure manual specific to their operations:

- Laurel School District
- Academia Antonia Alonso
- Delaware Design Lab High School
- Early College High School at DSU
- First State Military Academy
- Freire Charter School
- Gateway Lab School
- Great Oaks Charter School
- Odyssey Charter School

³⁷ Information obtained from <http://www.innovativeschools.org/about-us>.

³⁸ See Appendix A for a full listing of school districts and charter schools.

- The Delaware Met
- Thomas Edison Charter School

All districts and charter schools should follow DOE instructions regarding school specific Unit Count manuals. Further, AOA has discussed with DOE including this as a requirement in the *DOE Unit Count Regulations Manual* in addition to the communication already provided in DOE’s training.

Untrained Personnel

As is done each year, DOE offered Unit Count Training on July 21, 2015, to all districts and charter schools.³⁹ All School Unit Count Coordinators, in addition to anyone working in a position that supports the Unit Count process, are encouraged to attend this training. In addition to the annual training, AOA observed the significant amount of support and coaching provided to the schools regarding the Unit Count process, which can be complex and tedious.

AOA verified whether all of the districts and charter schools were represented at the annual training. However, throughout our work, we found that many of the Unit Count duties are not necessarily handled by the Unit Count Coordinators who attend the training. Some duties are delegated to individuals who did not attend the training and are unfamiliar with the Unit Count process. AOA found instances in which those directly charged with Unit Count responsibilities were unfamiliar with key reports and their purpose.

Assigning Unit Count responsibilities to individuals without adequate training may have contributed to improper documentation generated during AOA’s initial documentation requests. For example, AOA’s request for FSRs included submissions that were blank, incomplete, and for the wrong timeframe, as indicated by “X” in Table 3 below. As a result, AOA had to make additional requests in order to receive correct documentation.

Table 3: Documentation Issues During Initial Submissions

District/ Charter Schools	Blank Document	Missing Pages	Wrong Dates	Missing Students	Unfamiliar With Reports
EastSide Charter School	X				X ⁴⁰
Family Foundations Academy	X				X ⁴⁰
Kuumba Academy	X				
Prestige Academy	X	X	X	X	

AOA recommends that districts and charter schools work to ensure all parties involved in the Unit Count process are aware of their respective responsibilities and attend the annual training. Failure to follow through with these recommendations will increase the risk of errors

³⁹ DOE offers Unit Count training annually in July.

⁴⁰ AOA received numerous phone calls from the secretary handling Unit Count with questions as to what the forms are (she did not know what the FSR was), how to access certain documents, and the contact information for DOE Unit Count Coordinator.

and non-compliance.

Enrollment Review

Enrollment Review: Disallowances

In order to evaluate the reliability and sufficiency of the various processes that contribute to the annual Unit Count, AOA reviewed 450 students statewide from 9 districts (27 schools) and 18 charter schools.⁴¹ We compared the FSR Attendance reports from eSchoolPLUS to the Student Lists⁴² and conducted onsite visits to substantiate enrollment. According to *DOE's Unit Count Regulations Manual* and Unit Count Training materials, enrollment is defined as "...unless there is reason to believe that a pupil's attendance during the ten-day period (last 10 days of school in September) is fleeting or momentary, his/her presence in school for all or part of the 10 days effectively enrolls him/her as of the last day of September for the school year." AOA used this criterion when evaluating attendance and found no clear definition for "fleeting and momentary." Since the criterion was very subjective, we worked closely with the DOE Unit Count Coordinator to evaluate attendance documentation.⁴³ AOA also found that the schools had no clear understanding of what constitutes "fleeting and momentary" and many even voiced this concern to AOA.

Through our review, AOA identified 9 students counted in the Unit Count that should be disallowed. See Table 4 below. Of the 9 disallowances identified, 4 students met the criterion of "fleeting and momentary." Additionally, AOA found 4 students included in the Unit Count who never attended school for the current school year. Lastly, AOA identified one student who was enrolled in a distance learning program that does not meet the *DOE Unit Count Regulations Manual's* (Section 6.2) requirements for inclusion.

<i>Table 4: Unit Count Disallowances</i>		
School	# of Disallowances	Reason for Disallowance(s)
Academy of Dover	1	Fleeting & Momentary
Caesar Rodney High School	1	Fleeting & Momentary
Cape Henlopen High School	1	Fleeting & Momentary
Christiana High School	1	Distance Learning Exception
Delaware College Preparatory Academy	1	No Show
Delaware Design Lab High School	1	No Show
First State Military Academy	1	Fleeting & Momentary
Prestige Academy	2	No Shows

Again, we did not review 100% of students enrolled in Delaware school districts and charter schools; therefore, there could be additional disallowances not identified during our work. AOA recommends DOE take a firm position on repayment of funds relative to these disallowed students for FY 2016.

⁴¹ For a full list of schools reviewed, see Appendix B.

⁴² DOE refers to this report as the "Names Behind the Numbers".

⁴³ Documentation included gradebooks, work samples, doctor excuses, parent notes, transfer documentation, homebound agreements, and outside agency agreements.

Enrollment Review: Lack of Attendance Verification

Delaware Academy of Public Safety and Security and Prestige Academy did not have a process to validate that teachers had entered attendance into eSchoolPLUS. AOA was unable to determine if the lack of internal controls surrounding attendance during the Unit Count resulted in any errors at Delaware Academy of Public Safety and Security.

Prestige Academy did disclose to AOA that there were known attendance issues that have since been rectified; however, AOA is unsure of any impact this may have had on the Unit Count.

Enrollment Review: Missing FSRs

As described in the Background section of this report, each building administrator is required to generate the eSchoolPLUS FSR attendance report. This report is signed and dated by the building administrators and placed in the school's comprehensive enrollment file as the school's verification of student attendance during the last 10 school days of September. We found that 42 of the 45 schools we visited maintained this report in their comprehensive enrollment file. The remaining three schools, which included Delaware College Preparatory Academy, Family Foundations Academy, and Gateway Lab, were unable to provide AOA evidence that this step of the Unit Count was completed. AOA found the missing FSRs extremely alarming, as these reports are used to substantiate the entire Unit Count process.

Enrollment Review: Missing Documentation

As part of our enrollment review, AOA reviewed documentation for attendance validation, such as signed teacher attendance sheets, checklists, the eSchoolPLUS Missing Submissions Report,⁴⁴ excused absences (doctor excuses and parent notes), gradebooks, work samples, transfer documentation, homebound agreements, and outside agency agreements. Through our review, we determined the following:

- Gateway Lab and the Delaware Met failed to retain copies of notes for excused absences.
- Delaware Met failed to retain transfer documentation for transfer students.

Enrollment Review: Reporting Issues

During AOA's review of attendance, we determined that there is no Statewide standard for how the FSR attendance report is generated in eSchoolPLUS and, therefore, districts and charter schools are not consistently producing the attendance reports necessary for the Unit Count. AOA obtained the FSRs to corroborate the numbers submitted during the Unit Count and noted several inconsistencies with the report view selection. With the various views available for running the FSR attendance, we found that some views provided a variety of attendance information while others did not.⁴⁵ For example, Laurel School District's Dunbar Elementary School submitted to DOE an FSR that only displayed excused absences but not unexcused absences. Since the FSR is reviewed by administrators and used to substantiate the students included in the Unit Count, AOA recommends that DOE specify which view will provide the most comprehensive view to demonstrate attendance.

⁴⁴ This report shows the status of attendance entered into eSchoolPLUS.

⁴⁵ Different views may include or exclude information regarding excused and unexcused tardies, excused and unexcused absences, Home Bound Instruction, and Outside Agency placement, amongst others.

During our review of the FSRs, AOA also noted reporting issues at Cape Henlopen High School and Delaware Academy of Public Safety and Security. Cape Henlopen High School failed to properly set a data field in eSchoolPLUS, which resulted in students being marked as absent for the whole day who were in fact only tardy. Delaware Academy of Public Safety and Security incorrectly coded two students as absent instead of to an Outside Agency in eSchoolPLUS. Although these reporting errors had no impact on the end result of the Unit Count, other issues may have occurred outside of our review that could negatively impact the Unit Count.

Enrollment Review: Comprehensive Enrollment File

During the enrollment review, AOA also requested each school's comprehensive enrollment file, often referred to as the "Unit Count Audit Binder," as required per DE Admin. Code 701.⁴⁶

Throughout this process, we found the organization of the enrollment files to be on various ends of the spectrum. Some schools, such as those schools from the Red Clay and Christina School Districts, were extremely organized, making our review very efficient.

Other schools' files lacked certain items that would constitute a comprehensive enrollment file. While the schools listed below were able to piece together the requested documentation, the documentation was not kept in a physical comprehensive enrollment file:

- Delaware College Preparatory Academy
- George Read Middle School, Colonial School District
- Milford High School, Milford School District
- Providence Creek Academy
- Sussex Tech High School, Sussex County Vo-Technical School District
- William Penn High School, Colonial School District
- Wilmington Manor Elementary School, Colonial School District

Delaware Academy of Public Safety and Security claimed to maintain a comprehensive enrollment file but was unable to provide AOA with one after multiple requests.

A majority of the schools visited by AOA expressed concern about the Administrative Code's vague requirements for the comprehensive enrollment file and requested feedback from AOA on what should be included in their comprehensive enrollment files.⁴⁷ AOA believes that inclusion of a "Unit Count Enrollment File Checklist" in the *DOE Unit Count Regulations Manual* would help to alleviate this issue.

Unsupported Early Admission to Kindergarten

In the beginning stages of our review, DOE expressed concerns regarding the potential abuse of the Early Admission to Kindergarten process. Prior to 2009, DOE was responsible for

⁴⁶ DE Admin. Code 701 states, "Each school shall maintain September enrollment records in a manner which will allow for efficient enrollment audits by the Department of Education and the State Auditor of Accounts. At the end of September, each school shall assemble a comprehensive enrollment file that contains all necessary support materials to substantiate the enrollments reported."

⁴⁷ *DOE's Unit Count Regulations Manual* only cites the Administrative Code and does not provide any additional guidance on assembling a comprehensive enrollment file.

evaluating “gifted and talented” children, and according to DOE, in those years, there were less than 10 Early Admission to Kindergarten students across the entire State of Delaware. Charter schools are not allowed state funding for Pre-K, and DOE believes that some schools may circumvent the system to receive state funding for children that normally would not be eligible to be counted in the September 30th Unit Count, and to also alleviate families of the responsibility of seeking daycare for underage children.

AOA completed a statewide review of Early Admission to Kindergarten and determined that no school districts throughout the State had any Early Admission to Kindergarten students. However, four of the charter schools had a total of 28 Early Admission students as demonstrated in Table 5 below.

<i>Table 5: Statewide Early Admission to Kindergarten</i>	
School	Number of Students
EastSide Charter School	11
Family Foundations Academy	12
Kuumba Academy	3
Delaware College Preparatory Academy	2
Total	28

Upon closer examination, AOA learned about various problems with the early admissions process at these charter schools and determined all 28 early admissions should be disqualified.

- EastSide and Family Foundations had no standardized assessment or scoring rubric and, therefore, did not consistently perform the same evaluation for all early admissions.
- Evaluation forms for EastSide and Family Foundations were labelled “Pre-K” even though charter schools are not permitted to include Pre-K students in their Unit Count enrollment.
- EastSide altered assessments to allow early admissions. See Figure 1 below.
- All evaluation forms prepared by Delaware College Preparatory Academy did not support early admissions, as there were various mathematical errors and the instructions on the evaluation forms were not followed.
- Family Foundations Academy publicized the incorrect final enrollment date of October 30th on their website instead of the August 31st deadline. See Figure 2 below.
- Kuumba was unable to provide any supporting documentation for the three students included in the Unit Count and stated that any students admitted early were done so in error.

Figure 1: Early Admission to Kindergarten Documentation – EastSide Charter School



Student Name: [REDACTED] Grade (PreK or K): K Interviewer: staab

Separated from parents with ease?	None	Yes
Followed 2-3 step directions?	Have a seat in the chair, pick up the pencil, and write your name on the line.	No Yes
Writes name?	Paper and pencil	No Yes
Uses appropriate fine motor skills (when writing)?	None	No Yes
Speaks in sentences?	None	Yes
Speaks understandably?	None	No Yes
Looks at pictures and tells a story?	Pictures	Yes
Sorts objects?	Different color, size, or shape blocks	No Yes
Recognizes object that was removed from a group of objects as missing?	Different color, size, or shape blocks	Yes
Expresses feelings appropriately?	Prompt with questions: • If someone hit you, how would you feel? What would you do?	No Yes



→ "them"

10/10

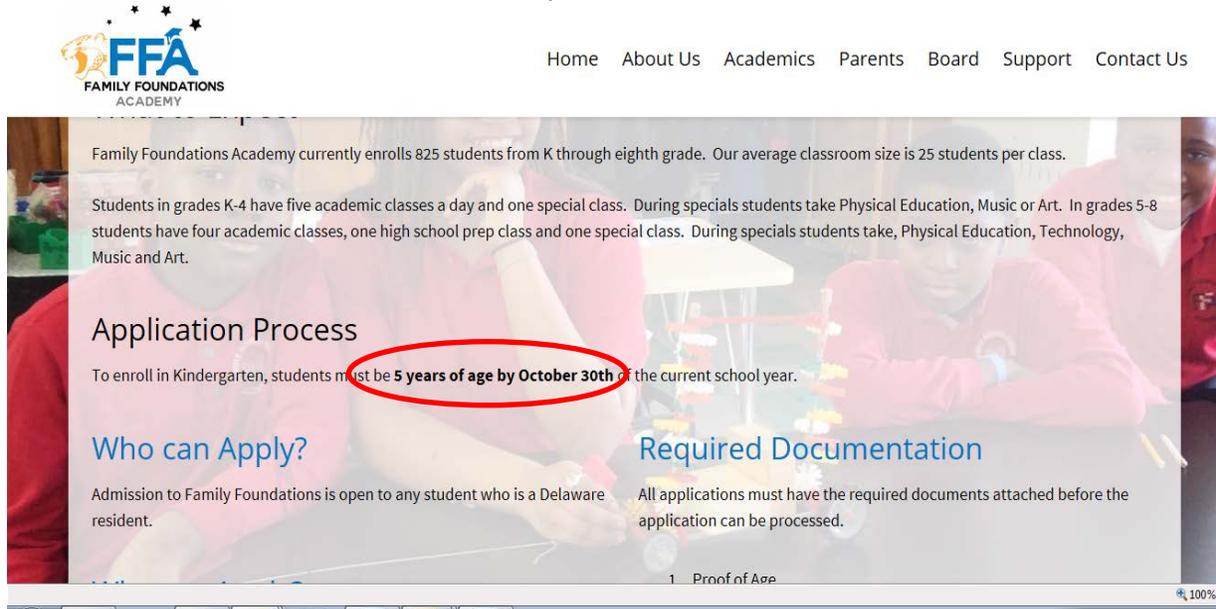
~~4/10~~

Ready

~~not~~ ready



Figure 2: Family Foundations Academy Website
(obtained by AOA on 7/21/2015)



During our review, AOA determined that no standard assessment or scoring rubric currently exists for Early Admission to Kindergarten in the State of Delaware. DOE allows each school district and charter school to develop their own assessment and requires only that assessments follow the guidelines of 14 Del. C. §3101(6), with supporting documents identified as Early Admission to Kindergarten.

AOA recommends DOE take a firm position on repayment of funds relative to these early admission students for FY 2016 and provide standard guidance or forms to ensure consistency.

Division I Funding

Tracking of Complex Funding Requirements

During planning of the engagement, DOE requested that AOA include procedures to verify the use of Division I funding. AOA requested documentation that DOE represented would demonstrate the districts' final application of Division I funds. This documentation was generally referred to as staffing plans by DOE. DOE explained that, although not required of the districts, the staffing plan should demonstrate that the units filled are consistent with the units earned per the Needs Based Position Entitlement Report.⁴⁸

During our review, we found broad variations in staffing plan submissions. Some districts were more detailed, while others lacked information to identify whose salary was being charged to specific Division I categories. Due to the lack of a standardized template for staffing plans or

⁴⁸ This report, prepared by DOE, details the earned units by position for each district and charter school.

reconciliations, AOA expressed concerns regarding the feasibility of completing review procedures.

At the suggestion of DOE, AOA attempted to perform procedures using the staffing plan submitted by Smyrna School District, which was a good example of a template that should be used for tracking the fulfillment of earned positions. Despite the amount of detail provided in Smyrna School District's staffing plan, the reconciliation still took AOA more than 10 hours to complete. The reconciliation would not have been possible using the staffing plans from some of the other districts or charter schools due to the lack of detailed data in their submissions.

AOA met with DOE post-review, and we have agreed to collaborate in the development of a template form that will be sent to the school districts and charter schools during AOA's next review. A standardized format will better able AOA to review unit usage across the State.

DOE Monitoring

DOE Special Education Monitoring

As stated in the background section of this report, DOE conducts verification processes and on-site monitoring to authenticate the count of children with disabilities and ensure districts and charter schools report students in special education units in a manner consistent with 14 Del. C. §1703 and 14 DE Admin. Code Section 928 and 701. The IEP team reviews the IEPs of special education students and discusses the needs based funding category as it relates to the adequacy of resources to implement the program and placement outlined in the IEP.⁴⁹

Statewide monitoring of Special Education, as detailed in the background section, is performed by the Director of Exceptional Children Resources. The Director, along with her team, also verifies compliance with IDEA. Each team member is assigned to monitor various annual performance indicators.

Based on our review of DOE's processes, we believe there is adequate monitoring in place to catch widespread abuse of special education units.

DOE Regular Education Monitoring

While DOE demonstrated a strong commitment to dedicating resources to Special Education monitoring as described in the previous section, we found that the same level of resources was not available for Regular Education monitoring.

Most of the work involved with monitoring the Unit Count lies solely with the DOE Unit Count Coordinator. The Unit Count Coordinator not only has to conduct the annual Unit Count training, and monitor and assist with certifying the September 30th Unit Count, but she also serves as the main point of contact for any issues or discrepancies post-Unit Count.

Given the extensive work associated with the Regular Education Unit Count, it would be beneficial and more efficient to have a DOE Unit Count team to assist the DOE Unit Count Coordinator in monitoring the regular education units. While the Unit Count Coordinator is

⁴⁹ See 14 Del. C. §1702(d)(8).

making every effort to perform monitoring as time permits, there are insufficient resources to commit formal monitoring for Regular Education.

Unit Count PLUS IT Controls

During this engagement, we also reviewed the internal controls in place surrounding Unit Count PLUS to determine whether the controls were adequate and met the standards set forth in the Federal Information System Controls Audit Manual (FISCAM).

Overall, the internal controls surrounding Unit Count PLUS were aligned with the Information Systems Controls documented in FISCAM. However, we observed three areas for DOE's consideration:

- The Unit Count PLUS Developer has no backup in Unit Count PLUS; he is the only one with access to the system, and in case of an emergency there is no one in place to seamlessly take over his role.
- There is no workflow approval in FogBugz;⁵⁰ when changes need to be made, no one is reviewing and approving these changes. These changes should be reviewed for proper segregation of duties.
- There is no formal documentation regarding the use of Unit Count PLUS for the end user. Aside from generic information, there is no User Guide to help instruct someone on the use and development of the application, which could assist in continuity in the event of employee turnover.

⁵⁰ FogBugz is an integrated web-based project management system featuring bug and issue tracking developed by Fog Creek Software.

Appendix A

Total Population of Delaware Schools ⁵¹			
Districts (19)	Number of Schools in District	Charter Schools (27)	Number of Schools in Charter
Appoquinimink	16	Academia Antonia Alonso	1
Brandywine	16	Academy of Dover	1
Caesar Rodney	12	Campus Community	1
Cape Henlopen	9	Charter School of Wilmington	1
Capital	13	DE Academy of Public Safety	1
Christina	31	DE College Prep Academy	1
Colonial	15	DE Design-Lab High School	1
Delmar	4	DE Military Academy	1
Indian River	17	Early College HS at DSU	1
Lake Forest	7	EastSide Charter	1
Laurel	4	Family Foundations	1
Milford	7	First State Military Academy	1
NCCVT	5	First State Montessori Academy	1
Polytech	1	Freire Charter School	1
Red Clay	27	Gateway Lab School	1
Seaford	8	Great Oaks Charter School	1
Smyrna	8	Kuumba Academy	1
Sussex Tech	1	Las Americas Aspira Academy	1
Woodbridge	4	MOT Charter	1
Total District Schools	205	Newark Charter	1
		Odyssey Charter	1
		Positive Outcomes	1
		Prestige Academy	1
		Providence Creek	1
		Sussex Academy	1
		The Delaware Met	1
		Thomas Edison	1
		Total Charter Schools	27
Statewide School Count		232	

⁵¹ Table based on September 2015 data.

Appendix B

District and Charter Schools Visited by AOA (45)	
School Name	District/Charter
Concord High School	Brandywine
Mt. Pleasant Elementary	Brandywine
Springer Middle School	Brandywine
Caesar Rodney High School	Caesar Rodney
Simpson Elementary	Caesar Rodney
Brittingham Elementary	Cape Henlopen
Cape Henlopen High School	Cape Henlopen
Bayard Middle School	Christina
Christiana High School	Christina
Gallaher Elementary School	Christina
Kirk Middle School	Christina
Newark High School	Christina
West Park Place Elementary	Christina
Penn High	Colonial
Read Middle School	Colonial
Wilmington Manor Elementary	Colonial
Georgetown Elementary	Indian River
Millsboro Middle School	Indian River
Sussex Central High School	Indian River
Dunbar Elementary	Laurel
Milford High School	Milford
A I DuPont High School	Red Clay
Heritage Elementary	Red Clay
Highlands Elementary	Red Clay
Linden Hill Elementary	Red Clay
Marbrook Elementary	Red Clay
Sussex Tech High School	Sussex Tech
Academia Antonia Alonso	Academia Antonia Alonso
Academy of Dover	Academy of Dover
DE Academy of Public Safety	DE Academy of Public Safety
DE College Preparatory Academy	DE College Preparatory Academy
DE Design-Lab High School	DE Design-Lab High School
DE Military Academy	DE Military Academy
Early College HS at DSU	Early College HS at DSU
EastSide Charter	EastSide Charter
Family Foundations	Family Foundations
First State Military Academy	First State Military Academy
Freire Charter School	Freire Charter School
Gateway Lab School	Gateway Lab School
Great Oaks Charter School	Great Oaks Charter School
Kuumba Academy	Kuumba Academy
Newark Charter	Newark Charter
Prestige Academy	Prestige Academy
Providence Creek	Providence Creek
The Delaware Met	The Delaware Met

Appendix C

Delaware Code Requirements for Use of Earned Units

Each unit below is converted into state funds needed for a specific position's salary applied to the category for that school year unless an exemption is elected by the district or school by following the guidelines below.

Once the district or charter school has decided which individual employee to assign to the unit, the state portion of salaries paid to employees is based on the State Salary Schedule outlined in 14 Del.C. ch. 13. The amount from the schedule is determined based on that specific employee's position, years of experience, level of education, professional degrees, licenses and certifications held, number of months employed (10, 11, or 12), and types of students served (regular, basis, complex, intensive, etc.).

Hence, the need to identify and follow the application of a specific individual throughout the funding cycle is critical to ensure that the units filled are consistent with the units earned. Without such ongoing record keeping and monitoring, an employee could be charged to the unit but not be used in the appropriate capacity.

We have extracted the specific funding requirements from the Delaware Code and have detailed them below to help elaborate on the complex funding requirements.

Preschool students

- Earn 1 unit per 12.8 students
- Funds must be used to support services for the students but are not limited to employing teachers only.
- The funds may be used to hire preschool special education teachers, paraprofessionals, and speech and language pathologists, or other related services personnel as determined at the local level.
- The units may also be used to secure contractual services.

K-3 students

- Earn 1 unit per 16.2 students
- At least 20% of teachers at the K-3 building level must be certified in the area of special education.
- 98% of the Division I units must be allocated to the schools that generated them
- The school board can waive the 98% rule by a vote held at a public meeting

4-12 Regular Education

- Earn 1 unit per 20 students
- 98% of the Division I units must be allocated to the schools that generated them
- The school board can waive the 98% rule by a vote held at a public meeting

4-12 Basic Special Education (Basic)

- Earn 1 unit per 8.4 students
- 98% of the Division I units must be allocated to the schools that generated them
- The school board can waive the 98% rule by a vote held at a public meeting
- All units generated by special education students are to be used for professional staff to support students with disabilities, to include special education teachers, school psychologists, speech/language pathologists, reading specialists, educational diagnosticians, counselors, class aides and social workers.
- Districts are authorized to use up to 5% of the units for para-professionals or to cash them in for related services.

Pre K-12 Intensive Special Education (Intensive)

- Earn 1 unit per 6 students
- 100% of the units must support the students that generate them.
- Used for special education teachers, school psychologists, speech/language pathologists, reading specialists, educational diagnosticians, counselors, class aides and social workers.
- Units may also be used to cash-in for other related services.

Pre K-12 Complex Special Education (Complex)

- Earn 1 unit per 2.6 students
- 100% of the units must support the students that generate them.
- Used for special education teachers, school psychologists, speech/language pathologists, reading specialists, educational diagnosticians, counselors, class aides and social workers.
- Units may also be used to cash-in for other related services.

Academic excellence units (K-12)

- Each district earns 1 unit for each 250 students, grades K through 12
- Used for reading, communications skills, mathematics, science, social studies, elementary and secondary counseling, elementary and secondary foreign languages, elementary and secondary performing arts, elementary physical education, elementary music, elementary art, library services, career education in grades 7 and 8, paraprofessionals, programs for gifted and talented pupils, career placement counselors, programs for limited English proficient pupils, programs for children at risk as defined by the Department of Education, programs to promote improved school climate and discipline, intervention specialists, programs to provide additional time, and an athletic trainer.
- 30% of academic excellence units can be cashed-in at a rate of \$35,000/unit

Related services units (K-12)

- 1 unit for each 57 units of the K-3, 4-12 (regular education) and basic units.
- 1 unit for each 5.5 units of the pre-K-12 intensive units.
- 1 unit for each 3.0 units of the pre-K-12 complex units.
- Used for special services such as speech therapy, occupational therapy, physical therapy, early identification and assessment of disabilities, special counseling services, developmental, corrective or supportive services

12 month students (K-12)

- Programs for children with severe mental disabilities, autism, traumatic brain injury, deaf/blindness, or orthopedic disabilities
- State share calculated at 100% of complex units and 30% of intensive units earned
- Programs limited to 1,426 hours for students with autism and 1,282 hours for all other students

Occupational-Vocational Units (7-12)

- 1 unit earned per 30 students
- Only available to New Castle County Vo-Tech, Kent County Vo-Tech, and Sussex County Vo-Tech School Districts.
- Students counted in occupational-vocational units shall be deducted from the regular unit using the formula: Occupational-vocational units x .5 = deductible units

Delaware Code Position Entitlements	
Position	Allotment
Classroom Teacher	1 per each Division 1 unit
Superintendent	1 per school district (not charters)
Assistant Superintendent	1 per 300 Division 1 units (max of 2)
Director	1 for the first 200 Division 1 units plus 1 for each additional 100 units (max of 6)
Administrative Assistant	1 per school district or charter school
11 Month Supervisor	1 for each 150 Division 1 units
Related Services Specialists Unit (K-3, 4-12 Regular, and Basic 4-12) (10 months)	1 for each 57 units
Related Services Specialists Unit (Intensive) (11 months)	1 for each 5.5 units
Related Services Specialists Unit (Complex) (12 months)	1 for each 3 units
Visiting Teacher	1 for each 250 Division 1 units
Nurse	1 for each 40 Division 1 units
Academic Excellence Unit	1 for each 250 pupils (up to 30% may be cashed in)
Secretary	1 for every 10 units for the first 100 units; 1 for every 12 units thereafter
Driver Education Teacher	1 for every 125 tenth grade students
Building and Grounds Supervisor	1 per school district (requires a minimum of 95 custodial units; 12 custodial units = 1 custodial position)
Food Services Supervisor	1 if less than 500 units with 4 or more buildings with school lunch programs; 1 if having 500 units or more
Transportation Supervisor	1 for every 7000 or more transported students (based on total enrollment)
Reading Cadre Position	1 per school district (not charters)

Appendix D

Management Responses

Appoquinimink School District's Response

“Again, I object to the part about the entrance conference attendance. I request that you remove that whole section, or at least Appoquinimink’s name from it. I don’t believe I received any communication on the entrance conference in time to attend or send a representative. Not your fault or mine – our email system was acting flaky around that time.

(1) The purpose of an entrance conference is to discuss the objectives of an audit and define the scope. Attendance at the entrance conference therefore cannot possibly be within scope of the audit and that is defined formally during the conference. If this attendance is auditable, shouldn’t there have been a pre-entrance conference to tell us that physical or phone attendance at the entrance conference is within scope of the audit? This could be a finding if you were auditing entrance conference attendance for some engagement, but it has nothing to do with how districts and charters followed State law and regulation before this conference even occurred. There is absolutely no cause and effect relationship between attendance at an entrance conference and Unit Count/eSchool recordkeeping accuracy, internal controls, and compliance. If my school district failed to respond to auditor requests as a result of missing the meeting that is one thing, but that didn’t happen. As you reported, we had no adverse findings.

(2) Your email of April 15, 2016 indicated the non-attendance at the entrance conference as an ‘observation,’ not a finding. Reading this report, it reads like a finding. It even appears in the ‘What We Found’ section in the beginning of the report. Again, how can it be a ‘finding’ when attendance at an audit entrance conference has nothing at all to do with compliance, internal controls, etc. in the unit count process?

Please consider removing the section on attendance at the entrance conference wherever it appears, or at least Appoquinimink’s name.”

AOA's Comment

AOA made a footnote reference in the report regarding the email system’s issues causing a delayed response that prevented the District from having representation at the entrance conference. The purpose of our audit report is to provide not only findings and recommendation but also the results of our work. Therefore, we reported our observation of the low entrance conference attendance. We agree, however, that inclusion of this observation in the “What We Found” section did make it appear like a finding, and we have removed that language.

Laurel School District's Response

“The Laurel School District does have a Unit Count Manual that includes procedures, regulations, guidelines, timelines, Unit Count policies, student rosters and additional documentation surrounding the annual Unit Count process. The district has maintained the same manual format since Needs Based Funding went into effect and has never received indication or instruction that the manual was not adequate. Indeed, there are no written requirements, regulations, or state code that stipulate the specific format or components of a Unit

Count Manual. 14 DE Admin. Code, 700 Finance and Personnel, 701 Unit Count, Section 1.2 simply states ‘each school shall maintain September enrollment records in a manner which will allow for efficient enrollment audits by the Department of Education and the State Auditor of Accounts. At the end of September, each school shall assemble a comprehensive enrollment file that contains all necessary support materials to substantiate the enrollments reported.’ This aforementioned criteria was met. The Laurel School District does not agree that there was a failure to develop and implement written policies and procedures.”

AOA’s Comment

The Laurel School District provided AOA with a copy of *DOE’s Unit Count Regulations Manual*, instead of District-specific policies and procedures as DOE instructed during annual Unit Count training.

Academia Antonia Alonso’s Response

“1. Written policies and procedures WERE in place, even though initially developed by Innovative Schools. I, the Operations Manager, was part of the manual review and Unit Count Training provided by Innovative Schools and was responsible for maintaining a system of effective internal controls – as evidenced by the comprehensive documentation provided in the Audit Files. Located in our Audit File Folder, was our binder of all audit manuals and instructions as well as policy and procedures. During the audit, the auditors asked for specific files, but never asked to see our Manual of Policy and Procedures. The manual/binder was and still is located in the folder (accordion style) in our office with our Administrative Assistant. A second manual is kept in my office (Operations Manager) as a back-up.

2. No reference was made in the report to the manuals that we did have, along with the evidence of a well-designed system of internal controls as evidenced in the Audit File. If auditors wanted to so note a more personalized approach in the manual, they should have so cited and not discount the comprehensive manual and evidence of internal controls in place in our school.

3. There is no noted documentation in the state regulations or policy manuals to require Unit Count Policies and Procedures be unique; nor is there citation that prevents Academia Antonia Alonso from receiving or contracting for assistance in developing policies and procedures. Contracted assistance is a routine practice in many areas of our school operations (for example, HR and budget services and many other areas of developing policies and operating procedures)

4. Innovative Schools’ role as CMO for Academia Antonia Alonso in FY 2016 was authorized by the DDOE and State Board of Education. This authorization included a legitimate role in assisting our school and in no way violates requirements established in the State of Delaware Budgeting and Accounting Policy Manual.”

AOA’s Comment

AOA did not have any issues with the documentation reviewed and found that Academia Antonia Alonso’s procedures reflected effective internal controls. However, we still take exception to the lack of an individualized policy and procedure manual that documents the Unit Count roles, responsibilities, and processes specific to their operations.

Early College High School at DSU's Response

“Our school had policies and procedures in place that were followed during the Unit Count process in SY16. As our CMO, Innovative Schools, developed the policies and procedures, I was a part of the manual review and Unit Count Training provided by Innovative schools. I, in turn, trained my staff who would ultimately be responsible for the accuracy of the Unit Count.

During the Unit Count process, I was responsible for ensuring that the policies and procedures were followed at my school, and as a result, your team was able to complete our school site audit in less than 30 minutes. The comprehensive documentation provided in the Audit Files at our school reflected the policies and procedures we used. No reference was made about this in the report to the manuals presented, along with the evidence of a well-designed system of internal controls as evidenced in the Audit File. If auditors wanted to note a more personalized approach in the manual, they should have so cited and not discount the comprehensive manual and evidence of internal controls in place in my school.

There is nothing in state regulations or policy manuals to require Unit Count policies and procedures be unique; nor is there citation that prevents schools (regular or charter) from receiving or contracting for assistance in developing policies and procedures. Contracted assistance is a routine practice in many areas of charter school operations (for example, HR and budget services and many other areas of developing policies and operating procedures). Title 14, Ch. 5 § 501: provides for flexibility in charter school operations: ‘...a charter to organize and run independent public schools, free of most state and school district rules and regulations governing public education, as long as they meet the requirements of this chapter...

I have worked in Delaware public education for the past 25 years, 24 of them in spent in school districts who have always had a ‘Unit Count Training,’ complete with a uniform set of procedures. Innovative Schools’ role as CMO for our school in FY 2016 was authorized by the DDOE and State Board of Education. This authorization included a legitimate role in assisting our schools and in no way violates requirements established in the State of Delaware Budgeting and Accounting Policy Manual.”

AOA's Comment

AOA did not have any issues with the documentation reviewed; in fact, Early College High School had some of the best record-keeping practices we observed. However, the School did not provide specific policies and procedures as DOE instructed during annual Unit Count training.

EastSide Charter School and Family Foundation Academy's Response

“Thank you for sending the report. We are looking to ensure that we operate at an optimal level in the future. Please see our comments below for Family Foundations and EastSide.

P.15 - shows a document used for early admission screening for EastSide but attached⁵² is a letter that was previously sent to the state as well as the screening method that was used as well.

- FFA did not accept any funds for the 12 4 year old students who attended our school.

⁵² AOA did not include the attachment in this report as it was not deemed relevant.

P.16 - Website was changed 8/20/15 after Family Foundations received new leadership under Dr. Browne. The website remains up to date with the August date for children to be 5 (email attached).⁵³

I look forward to any best practices that the state can send for unit count along with the follow up for the training that took place for unit count this year.”

AOA’s Comment

AOA’s review of EastSide’s early admission to kindergarten documentation found that some students had an Entrance Interview form on file, while others did not. These forms were not completed consistently; some only had yes or no answers while others had explanations or answers from the child written on them. All students had a completed Individual Child Report on file that displayed how the child was assessed in several areas; however we were not provided with a rubric that explains how these scores were measured.

The 12 students enrolled in early admission to kindergarten for Family Foundations all appear on the Student List report generated from eSchoolPLUS, which is a listing of only those children included in the Unit Count. If these students were not meant to be included then they should have been marked as “Do not include” within eSchoolPLUS. DOE confirmed that Family Foundations did receive funding for these students.

AOA holds the recommendation that all 11 of the East Side students and all 12 of the Family Foundation students enrolled in early admission to kindergarten be disallowed.

AOA notes that Family Foundations did correct the error on their website. The screenshot in our report was pulled on July 21, 2015, one month before the correction was made.

Prestige Academy’s Response

“I am writing to respond to the eSchool [sic] and Unit Count Audit performed this past school year. The first response is for untrained personnel. Our current Administrative Assistant has been through all of the appropriate training in relation to the September 30 count. When the original files were sent al [sic] of the files did not go through due to an issue with our copier/fax system. It was determined that there was an issue and it was immediately corrected and the documentation was corrected and sent. This attributed the issues around missing documentation as well as having to have multiple requests for the appropriate information.”

AOA’s Comment

AOA acknowledges that the Administrative Assistant assigned to the Unit Count did attend the training held by DOE in July 2015. However, there were several communications between AOA and Prestige during our attempt to obtain the Full Student Register (FSR), which are summarized in the timeline below:

09/30/2015	Received FSR with wrong dates (08/24/2015-09/30/2015), instead of the last 10 days in September.
11/24/2015	AOA requested corrected version to show correct dates.

⁵³ AOA did not include the attachment in this report.

11/30/2015	Received FSR that had no absences or tardies displayed.
11/30/2015	Received FSR with absences and tardies, but missing the even-numbered pages.
11/30/2015	AOA requested explanation as to why the total students had changed from 312 to 221.
11/30/2015	Received response that it was due to first FSR being printed with August date.
12/01/2015	AOA requested the even-numbered pages.
12/02/2015	Received same FSR from 11/30/2015 that had no absences or tardies displayed.
12/11/2015	Obtained the correct FSR from DOE.

AOA received no communication during this period regarding issues with the copier/fax system. Any issues with the copier/fax system would not have attributed to incorrectly pulled FSRs. Ultimately, AOA had to obtain the correct FSR from DOE.

Providence Creek Academy's Response

“While we do not necessarily [sic] agree with your statement concerning the ‘Physical [sic] comprehensive enrollment file,’ all records were readily available in both paper form and electronic form...”

AOA's Comment

AOA observed that some schools, including Providence Creek Academy, maintained the documentation that supported the enrollments reported in an electronic format. AOA did not take exception to this because the *DOE Unit Count Regulations Manual* does not specify the format in which the comprehensive enrollment file be maintained. However, AOA's review of the supporting documentation from the schools electing to maintain the records electronically was more time-consuming and required more assistance from the on-site contact person than those schools that maintained the documents in a physical comprehensive file. AOA believes that by providing more guidance in the *DOE Unit Count Regulations Manual* on the best practices for this type of record-keeping would help to minimize errors and the amount of time and effort that the review process requires.

Innovative Schools' Response

“We have carefully reviewed the revised *Statewide eSchoolPLUS and Unit Count Inspection* report provided by the State of Delaware Office of Auditor of Accounts, released on August 4, 2016. We find it particularly concerning that each of the schools we supported for the 2015 Unit Count was cited for *Failure to Develop and Implement Written Policies and Procedures*.

This finding is inaccurate. Written policies and procedures were in place at all schools we supported through this process. Each school had a comprehensive manual that outlined the policies and procedures to be followed in detail. The manual was given to the schools as part of the training sessions on Unit Count their representatives attended. Even though the manual was initially developed by Innovative Schools, many of our schools made modifications to the actual practice through the process as various strategies were found to work better in some schools than others. These modifications were noted in their manuals and will result in continuous improvement for each of them. Each school was responsible for maintaining a system of effective internal controls – as evidenced by the comprehensive documentation provided in the Audit Files at each school. No reference was made in the report to the manuals each school did

have, along with the evidence of a well-designed system of internal controls as evidenced in the Audit File. If the audit stipulates that each school develop their own distinct manuals, auditors should have identified this discrepancy during the audit process, and mentioned it at that time.

After the initial findings were posted we sought to find if there was something in state regulations or policy stipulating that Unit Count Policies and Procedures be unique for each school. We did not find any such requirement; nor is there citation that prevents schools (regular or charter) from receiving or contracting for assistance in developing policies and procedures. Most districts have one set of policies and procedures for completing unit count that apply to all of their schools, and to which they are held accountable. Each school within a district does not have a unique system for completing their unit count. Contracted assistance is a routine practice in many areas of charter school operations (for example, HR and budget services, and developing policies and procedures for different operating and programmatic areas.) Title 14, Ch. 5 § 501: **provides for flexibility in charter school operations:** *'...a charter to organize and run independent public schools, free of most state and school district rules and regulations governing public education, as long as they meet the requirements of this chapter...*

Innovative Schools as CMO for four of the schools mentioned in the report was authorized by the DDOE and State Board of Education to serve in this supportive role for them. This authorization included a legitimate role in assisting our schools in distinct capacities and in no way violates requirements established in the State of Delaware Budgeting and Accounting Policy Manual. For the other non-CMO schools we supported, there is no regulation prohibiting assistance from a school-support or other organization.

We hope you will use this opportunity to address this important issue; one which impacts the operational flexibility to which charter schools in Delaware are entitled. Please let us know if we can be of further assistance. Thank you."

AOA's Comment

While AOA did not seek comment on the report from Innovative Schools because Innovative Schools is not management of the charter schools, AOA decided to accept the response. AOA does not take exception to Innovative Schools' involvement or support of the charter schools. In fact, AOA found that those schools assisted by Innovative Schools generally had a well-documented, comprehensive enrollment file that was maintained in a standardized format and was easy for AOA to review. However, as DOE instructed during annual Unit Count training, each district and charter school must have specific Unit Count policies and procedures detailing their internal processes.