

# SCHOOL DISTRICTS UNIT COUNT AND AUTHORIZED POSITIONS

---

PERFORMANCE AUDIT  
FISCAL YEARS ENDED JUNE 30, 2022 AND 2023



# SCHOOL DISTRICTS UNIT COUNT AND AUTHORIZED POSITIONS

## REPORT SUMMARY FISCAL YEARS ENDED JUNE 30, 2022 AND 2023

### BACKGROUND

---

The Delaware Department of Education (DDOE) serves 19 school districts, also known as Local Education Agencies (LEAs), in the State of Delaware. DDOE's mission is to empower every learner with the highest quality education through shared leadership, innovative practices and exemplary services. Under State law DDOE is required to exercise general control and supervision over all public schools in the State. DDOE supports LEAs with resources, professional development, grant access and other administrative functions so that all Delaware students are ready for success in college, career, and life. DDOE develops regulations with input from staff and other stakeholders.

State funding received by LEAs is primarily based on the total enrollment of students, expressed in units, as of the last school day of September. Units are made up of a specific number of students based on grade and special education status. State funding is allocated to LEAs divided into the following categories:

- Division I (Salaries and Benefits)
- Division II (Energy and All Other Costs)
- Division III (Equalization).

In accordance with 14 Del. C. §1504, the Delaware Office of Auditor of Accounts (AOA) is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all LEAs.

AOA and CPA firm Gunnip and Company, LLP cooperated to conduct a performance audit of the LEAs for fiscal years 2023 and 2022 to address certain objectives related to the review of unit counts (enrollment of pupils), the conversion of those unit counts into authorized positions (units of pupils) and, in turn, the allocation of those authorized positions to the corresponding State funding appropriation.



# SCHOOL DISTRICTS UNIT COUNT AND AUTHORIZED POSITIONS

## REPORT SUMMARY FISCAL YEARS ENDED JUNE 30, 2022 AND 2023

### KEY INFORMATION AND FINDINGS

---

AOA performed examinations of LEA compliance with faculty and staff positions authorized by the Delaware General Assembly for fiscal year 2019. Fiscal Years 2020 and 2021 were COVID-19 pandemic years and not considered for audit as those LEAs faced numerous challenges in both enrollment and staffing. AOA administered performance audits of the Unit Count and Authorized Positions processes for fiscal years 2022 (encompassing Unit Count data taken on September 30, 2021) and 2023 (encompassing Unit Count data taken on September 30, 2022).

The performance audit focused on the following objectives, and noted the following findings:

**Unit Count Objective 1:** Determine if the regular and special education Unit Count allotment earned by the LEAs were properly computed based on the underlying enrollment in accordance with 14 Del. C. §1704 (1) and processes promulgated by DDOE.

#### Findings:

- Five LEAs out of 10 selected were missing some supporting documentation regarding attendance or classification of students (regular and special education enrollments) during the unit count period.
- Many districts showed inconsistencies between the classroom attendance reports and the Full Student Register (FSR), a report completed by each individual school, where classroom attendance reports did not match the FSR.

**Unit Count Objective 2:** Determine if the LEAs maintained proper IT access controls for the personnel who were provided access to the Unit Count Plus System.

#### Findings:

- All 10 LEAs included in the sample had at least one former employee assigned a role in the Unit Count Plus system whose access was not removed upon termination of employment.



# SCHOOL DISTRICTS UNIT COUNT AND AUTHORIZED POSITIONS

REPORT SUMMARY FISCAL YEARS ENDED JUNE 30, 2022 AND 2023

## KEY INFORMATION AND FINDINGS CONT. ---

**Authorized Positions Objective 1:** Determine if the number of Authorized Position units allocated to the school district was properly computed based on 14 Del. C. §1703 (a) and the school district's underlying support.

### Findings

- The authorized positions listed in DDOE's entitlement report do not consistently match the account codes for those positions in the State's general ledger.

**Authorized Positions Objective 2:** Determine if the LEAs exceeded their allocated number of Authorized Positions.

### Findings:

- LEAs can use payroll funding adjustments at any time within a fiscal year to recode how authorized positions are funded. Compliance assessment of authorized positions should be done based on the entire fiscal year rather than at any one point in time.

**Authorized Positions Objective 3:** Review the LEAs' internal controls over their management of allocated authorized positions on an ongoing basis.

### Findings:

- There is no standard practice for models, staff listings and reconciliation processes to manage authorized positions across LEAs. Detailed processes and corresponding internal controls underlying individual LEA practices managing authorized positions are not formally documented.
- Managing authorized positions and the hundreds of millions of State General Fund dollars that fund them each year is a very complex and time-consuming process. This process is solely managed by the LEAs, often by one or a few individuals, and there is a lack of detailed oversight of this process outside of the LEA level.



State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits  
For Fiscal Years Ending June 30, 2023 and 2022

August 27, 2025

## **Table of Contents**

### **Report**

Introduction

Objectives, Observations and Findings

Unit Counts (Enrollment of Pupils) – Objectives 1 and 2

Authorized Positions (Units of Pupils) – Objectives 1, 2 and 3

### **Appendix I - Responses from Responsible Officials, as applicable**

### **Appendix II - Performance Audit Scope, Compliance, Methodology, Results and Conclusion**

Scope

Compliance with GAGAS

Planning and Risk Assessments

Methodology, Results and Conclusion for Each Area by Objectives

### **Appendix III – Overview**

Authority and Contracted Performance Audit

Performance Audits

Prior Relevant Reports

State Funding of School Districts and Main Components

Other DDOE Related Information

### **Abbreviations**

|              |  |
|--------------|--|
| <b>AOA</b>   | Auditor of Accounts                          |
| <b>AOC</b>   | All Other Costs                              |
| <b>DOA</b>   | Division of Accounting                       |
| <b>DDOE</b>  | Delaware Department of Education             |
| <b>DGL</b>   | Delaware General Ledger                      |
| <b>FSR</b>   | Full Student Register                        |
| <b>IEP</b>   | Individual Education Plans                   |
| <b>IT</b>    | Information Technology                       |
| <b>OMB</b>   | Office of Management and Budget              |
| <b>PHRST</b> | Payroll Human Resources Statewide Technology |
| <b>PFA</b>   | Payroll Funding Adjustment                   |
| <b>SDs</b>   | School District or Districts                 |

# **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

## **INTRODUCTION**

### **Background**

The Delaware Department of Education (DDOE), located in Dover, serves 19 school districts and 23 charter schools domiciled in the State of Delaware (State). DDOE's mission is to empower every learner with the highest quality education through shared leadership, innovative practices and exemplary services. Under State law, the DDOE is required to exercise general control and supervision over all public schools in the State. DDOE supports school districts and charter schools with resources, professional development, grant access and other administrative functions so that all Delaware students are ready for success in college, career, and life. The DDOE develops regulations with input from staff and other stakeholders.

The School Districts (SDs) within the State receive funding from State, Local, Federal, and Capital Projects sources. During fiscal year 2023 (school year 2022-2023), the State, Local and Federal resources (excluding Capital Projects) represented approximately, 59%, 26% and 15%, respectively. During fiscal year 2022 (school year 2021-2022), the State, Local and Federal resources (excluding Capital Projects) represented approximately, 56%, 28% and 16%, respectively.

The State funding received by SDs are primarily based on enrollment (or units earned) based upon the September 30<sup>th</sup> Unit Count. The State funding is then allocated to the SDs by upon the following categories: Division I (Salaries and Benefits), Division II (Energy and All Other Costs), and Division III (Equalization).

#### ***Division I (Salaries and Benefits)***

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

#### ***Division II (Energy and All Other Costs)***

Division II funding, which consists of Energy and All Other Costs (AOC) 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 Energy and AOC are approved annually in the Budget Bill.

#### ***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. 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. 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.

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

### **Audit Requirement**

In accordance with 14 Del. C. §1504, the Office of Auditor of Accounts is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public-school districts that commence on or after July 1, 1991.

The Auditor of Accounts contracted Gunnip to perform a performance audit of the school districts for fiscal years 2023 and 2022 to address certain objectives related to the review of unit counts (enrollment of pupils), the conversion of those unit counts into authorized positions (units of pupils) and, in turn, the allocation of those authorized positions to the corresponding State funding appropriation.

### **Audit Criteria and Path**

#### **Enrollment, also referred to as the Unit Count**

Pursuant to 14 Del. C. §1704(1), the number of units 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 considers factors such as grade level and any special education needs of the child.

#### **Authorized Positions – Units are converted into authorized positions for each school district**

Delaware Code mandates how units are earned based on the funding needs category and the number of pupils in attendance from the Unit Count. Pursuant to 14 Del. C. §1703(a), §1716(a), §1716(e), §1716A(a), §1716E(a) and §1716F(a) and §1306(b and c), §1308(e), §1310(b) and §1312(b), the majority of the units earned are allotted to the school districts based on the Entitlement Report. The Entitlement Report calculates the number of classroom teacher units as well as administrative and other supporting units (authorized positions). For example, for grades 4 through 12, one teaching position (one authorized position for a teacher) will be funded by the State for every 20 students in those grade levels.

In addition, to those authorized positions, pursuant to 14 Del. C. §1306 and §1311, the school districts also are provided positions for principals, assistant principals and custodians based on additional criteria, but those “authorized positions” are not specifically included on the Entitlement Report.

#### **State Funding – Positions are transformed into State funding based upon on allocating the SD’s authorized positions and their corresponding salary and benefits to the State’s personnel cost appropriation (00137)**

The authorized positions are funded by the State based upon the SDs allocation or assignment of those positions to the State’s personnel costs appropriation. SDs are responsible for ensuring that only those authorized positions that have been earned are allocated to the State funding appropriation.

The following report has been split into two sections. The first section addresses the Unit Counts (Enrollment) with its two corresponding objectives, and the other section addresses Authorized Positions with its three corresponding objectives.



**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**UNIT COUNTS (ENROLLMENT OF PUPILS)**

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**OBJECTIVES, OBSERVATIONS AND FINDINGS**

**Objective 1**

To determine if the regular and special education Unit Count allotment earned by the following school districts were properly computed based on the underlying enrollment in accordance 14 Del. C. §1704 (1) and processes promulgated by the DDOE.

|                      |                    |
|----------------------|--------------------|
| <b>Appoquinimink</b> | <b>Lake Forest</b> |
| <b>Brandywine</b>    | <b>Laurel</b>      |
| <b>Cape Henlopen</b> | <b>Milford</b>     |
| <b>Christina</b>     | <b>NCC VoTech</b>  |
| <b>Colonial</b>      | <b>Woodbridge</b>  |

**Relevant Regulation for Objective 1**

14 Del. C. §1704. Number of units in a school district; method of calculation; actual unit count; optional unit count. The number of units shall be calculated based upon the total enrollment of pupils in each school district as of the last school day of September. The total number of units by school district so determined shall be known as the “actual unit count.” The Department of Education shall annually (after September 30) certify and report the number of units as required in § 1710 of this title.

**Context and Sampling for Objective 1**

In connection with **Objective 1**, the underlying enrollment for fiscal year 2023 (school year 2022-2023) and 2022 (school year 2021-2022) was tested for ten of the State’s 19 SDs.

Fiscal year 2023 enrollment figures are based on the September 30, 2022 unit counts and fiscal year 2022 enrollment figures are based on the September 30, 2021 unit counts.

| <b>School District</b> | <b>Fiscal Year 2023<br/>(September 20, 2022)</b> |                |                |                | <b>Fiscal Year 2022<br/>(September 30, 2021)</b> |                |                |                |
|------------------------|--|----------------|----------------|----------------|--|----------------|----------------|----------------|
|                        | <b>Regular</b>                                   | <b>Sampled</b> | <b>Spec Ed</b> | <b>Sampled</b> | <b>Regular</b>                                   | <b>Sampled</b> | <b>Spec Ed</b> | <b>Sampled</b> |
| <b>Appoquinimink</b>   | 10,763   | 102            | 2,041          | 25             | 10,542   | 102            | 1,924          | 25             |
| <b>Brandywine</b>      | 8,402  | 86             | 1,965          | 25             | 8,564  | 85             | 1,837          | 25             |
| <b>Cape Henlopen</b>   | 5,197  | 53             | 1,139          | 25             | 5,013  | 50             | 1,065          | 25             |
| <b>Christina</b>       | 9,927  | 100            | 3,311          | 25             | 10,339   | 103            | 3,214          | 25             |
| <b>Colonial</b>        | 7,125  | 72             | 2,007          | 25             | 7,550  | 76             | 1,981          | 25             |
| <b>Lake Forest</b>     | 2,925  | 30             | 686            | 25             | 2,893  | 29             | 651            | 25             |
| <b>Laurel</b>          | 2,144  | 25             | 454            | 25             | 2,137  | 25             | 429            | 25             |
| <b>Milford</b>         | 3,749  | 38             | 721            | 25             | 3,685  | 37             | 704            | 25             |
| <b>NCC VoTech</b>      | 4,107  | 42             | 625            | 25             | 4,110  | 41             | 616            | 25             |
| <b>Woodbridge</b>      | 2,056  | 25             | 438            | 25             | 2,074  | 25             | 421            | 25             |
| <b>Total</b>           | <b>56,395</b>                                    | <b>573</b>     | <b>13,387</b>  | <b>250</b>     | <b>56,907</b>                                    | <b>573</b>     | <b>12,842</b>  | <b>250</b>     |

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**Our Observations and Recommendations for Objective 1**

**Finding 1 - Proper documentation was missing to support enrollment or the special education classification**

**Condition:** There were 5 districts out of 10 selected that were missing some supporting documentation regarding attendance or classification of students (regular and special education enrollments) during the unit count period.

| Findings/Observations             |  |  |
|-----------------------------------|--|--|
| <b>School District Enrollment</b> | <b><u>Fiscal Yr 2023</u><br/>School Year 2022-2023<br/>September 30, 2022<br/>Unit Count</b> | <b><u>Fiscal Yr 2022</u><br/>School Year 2021-2022<br/>September 30, 2021<br/>Unit Count</b> |
| <b>Brandywine</b>                 |  |  |
| Regular                           | 1 missing proof of attendance  | 1 missing proof of attendance<br>6 report cards only for proof                               |
| Special Ed                        | None   | 2 report cards only for proof  |
| <b>Christina</b>                  |  |  |
| Regular                           | 1 missing proof of attendance  | 1 missing proof of attendance  |
| Special Ed                        | 1 missing proof of attendance  | 1 missing proof of attendance  |
| <b>Lake Forest</b>                |  |  |
| Regular                           | None   | None   |
| Special Ed                        | 1 IEP missing an assurance form  | 1 IEP missing an assurance form  |
| <b>Laurel</b>                     |  |  |
| Regular                           | 1 missing proof of attendance  | None   |
| Special Ed                        | None   | 1 missing proof of attendance  |
| <b>Woodbridge</b>                 |  |  |
| Regular                           | None   | None   |
| Special Ed                        | 2 different Spec Ed classification   | 1 IEP missing an assurance form  |

In addition, many districts showed inconsistencies between the classroom attendance reports and the Full Student Register (FSR). There were numerous instances whereby the classroom attendance reports did not match the FSR. The FSR, which must be completed by each school building within a district, has a blank box for each student as part of the student unit count. Each SD building would be required to put an “x” or other notation in the attendance box to indicate the student was absent during the unit count period. We noted that while the student may have been marked as absent on the supporting classroom attendance report, that information was not always linked or brought forward to the FSR.

**Criteria: 14 Del. C. §1704 (1)** The number of units shall be calculated based upon the total enrollment of pupils in each school district as of the last school day of September. The total number of units by school district so determined shall be known as the “actual unit count.” The Department of Education shall annually (after September 30) certify and report the number of units as required in § 1710 of this title.

**Cause:** Some student enrollment was missing the proper support and/or some of the classroom attendance reports did not reconcile to the FSR.

**Effect:** The district may have overstated the enrollment reported to the DDOE.

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

### ***Recommendations:***

- 1) We recommend that any district with missing attendance support ensure it has proper documentation of its unit count processes and procedures in accordance with the annual training provided by the DDOE and develop a reconciliation process to ensure student enrollment was accurately captured during the Unit Count process.
- 2) While the Special Ed Dept within the DDOE has some processes in place to monitor special education units on an ongoing basis, there are no such review processes in place for regular education units. Accordingly, we recommend the DDOE consider doing periodic reviews of district regular unit counts to assess the accuracy of those figures as well as address any potential concerns on how the unit counts are being coordinated and managed.
- 3) We also recommend that the DDOE consider promoting an attendance report that could be used consistently by each district and each school within the district. We believe this would allow for more consistency in the review and reconciliation of attendance reports to the FSR.

### ***View of Responsible Officials:***

See District responses to any applicable findings and recommendation on pages 21 to 28.  
See DDOE responses to recommendations on pages 33 to 34.



## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

### **Objective 2**

**To determine if the aforementioned school districts maintained proper IT access controls for the personnel who were provided access to the Unit Count Plus systems.**

SDs personnel are either provided read or write access to the Unit Count Plus system. Write access allows SDs employee to provide direct input into the enrollment figures while Read access only allows the employee to access and read the enrollment information. The State's Department of Technology and Information (DTI) requires that each employee manager is responsible for providing prompt notification to their Human Resources Office and/or Organization ISO (Information Security Officer) when there is a change to an employee or vendor status.

### **Context and Sampling for Objective 2**

In connection with **Objective 2**, based on a Unit Count Plus system's access listing obtained from the State's Unit Count Coordinator, we verified whether the employees provided access were still current employees based upon their inclusion on the State's Payroll Human Resources Statewide Technology (PHRST) reports.

| School District | Write Access |         | Read Access  |         |
|-----------------|--------------|---------|--------------|---------|
|                 | Total per SD | Sampled | Total per SD | Sampled |
| Appoquinimink   | 6            | 6       | 70           | 18      |
| Brandywine      | 4            | 4       | 15           | 15      |
| Cape Henlopen   | 14           | 14      | 37           | 10      |
| Christina       | 11           | 11      | 220          | 25      |
| Colonial        | 2            | 2       | 74           | 18      |
| Lake Forest     | 1            | 1       | 40           | 10      |
| Laurel          | 13           | 13      | 19           | 5       |
| Milford         | 5            | 5       | 31           | 8       |
| NCC VoTech      | 24           | 24      | 6            | 6       |
| Woodbridge      | 10           | 10      | 20           | 5       |
| Total           | 90           | 90      | 532          | 120     |

### **Our Observations and Recommendation for Objective 2**

#### **Finding 2 – Many Employees Included on the DDOE's Unit Count Plus System Were No Longer Employed by the District**

19 sampled Write Access and 23 sampled Read Access employees included on the DDOE's Unit Count Plus system were no longer employed by the district. The time between employee's termination and the run date of the SDs Employee Listings (effective date September 7, 2023) ranged from one month to eight years.

## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

**Condition:** All 10 school districts had at least one former employee that was assigned a role in the Unit Count Plus system whose access was not removed upon termination of employment.

| On DOE Unit Count Plus system access listing, but not a current employee |                |                |
|--|----------------|----------------|
| School District  | Write Access   | Read Access    |
| Appoquinimink  | 2 of 6 tested  | 2 of 18 tested |
| Brandywine   | 0 of 4 tested  | 9 of 15 tested |
| Cape Henlopen  | 1 of 14 tested | 0 of 10 tested |
| Christina  | 7 of 11 tested | 4 of 25 tested |
| Colonial   | 0 of 2 tested  | 1 of 18 tested |
| Lake Forest  | 1 of 1 tested  | 1 of 10 tested |
| Laurel   | 3 of 13 tested | 1 of 5 tested  |
| Milford  | 1 of 5 tested  | 3 of 8 tested  |
| NCC VoTech   | 2 of 24 tested | 0 of 6 tested  |
| Woodbridge   | 2 of 10 tested | 2 of 5 tested  |

**Criteria:** The State's DTI Enterprise Policy states that each employee manager is responsible for providing prompt notification to their Human Resources Office and/or Organization Information Security Officer (ISO) when there is a change to an employee or vendor status. This includes changes in a job function that may impact the type of information they are authorized to access. The ISO shall work with Human Resources and/or the hiring manager to cross check all terminations and transfers and ensure that all State assets are returned. Access shall expire on the last day of employment or transfer. Timeliness in carrying out these responsibilities will help to maintain effective account maintenance and will mitigate security risks.

**Cause:** The SDs have not developed adequate procedures to ensure all terminated employees are removed from the State's systems on a timely basis.

**Effect:** Employees who have been terminated or transferred may have access to student and other sensitive information that is no longer appropriate. This could allow terminated or transferred employees to disrupt state operated systems or disclose sensitive information that they should no longer be privy to.

**Recommendation:** We recommend that each school district develop and document its policy and procedures to ensure all employees are terminated from the relevant State's systems on the last day of employment or transfer. This policy should include communication or correspondence with the system's host to verify access to any relevant systems has been revoked.

### **View of Responsible Officials:**

Because the school districts have migrated from the Unit Count Plus system to Infinite Campus, after the access testwork was performed, the above findings are not completely applicable anymore. However, as stated in our recommendation, the school district should ensure only necessary and current employees have access to Infinite Campus system and Gunnip and/or the AOA may test those access controls going forward.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**AUTHORIZED POSITIONS (UNITS OF PUPILS)**

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**OBJECTIVES, OBSERVATIONS AND FINDINGS**

**Objective 1**

To determine if the number of Authorized Positions units allocated to the school district was properly computed based on 14 Del. C. §1703 (a) and the school district's underlying support.

**Relevant Regulation for Objective 1**

**14 Del. C. §1703 (a) Unit of pupils.** As used in this chapter, “unit” or “unit of pupils” means as defined in the following schedule of numbers of pupils enrolled in schools beginning in kindergarten and through grade 12; and for children prior to entry into kindergarten who are eligible for special education services as defined in Chapter 31 of this title:

- (1) Preschool Basic Special Education – 8.4
- (2) K-3 Regular Education – 16.2
- (3) 4-12 Regular Education – 20
- (4) K-12 Basic Special Education (Basic) – 8.4
- (5) Pre-K-12 Intensive Special Education (Intensive) – 6
- (6) Pre-K-12 Complex Special Education (Complex) – 2.6

*Note, this performance audit is only addressing those unit counts that are addressed in the district's Entitlement Report and funded under Division I salaries.*

**Context and Sampling for Objective 1**

In connection with **Objective 1**, the above enrollment tested as part of Objective 1, earned the school districts the following classroom teacher Division I units.

| School District | Fiscal Year 2023<br>(September 20, 2022) |          |        |          | Fiscal Year 2022<br>(September 30, 2021) |          |        |          |
|-----------------|--|----------|--------|----------|--|----------|--------|----------|
|                 | Regular                                  | Special  | VocEd  | Total    | Regular                                  | Special  | VocEd  | Total    |
| Appoquinimink   | 575.90                                   | 344.94   | 46.47  | 967.31   | 563.93                                   | 312.84   | 39.56  | 916.33   |
| Brandywine      | 450.35                                   | 359.76   | 21.95  | 832.06   | 458.21                                   | 284.85   | 19.34  | 762.40   |
| Cape Henlopen   | 279.48                                   | 239.34   | 14.00  | 532.82   | 269.65                                   | 218.06   | 12.43  | 500.14   |
| Christina       | 537.79                                   | 722.98   | 29.40  | 1,290.17 | 561.60                                   | 686.87   | 26.48  | 1,274.95 |
| Colonial        | 383.72                                   | 351.91   | 17.64  | 753.27   | 406.81                                   | 345.54   | 16.76  | 769.11   |
| Lake Forest     | 157.95                                   | 99.39    | 8.25   | 265.59   | 156.11                                   | 92.27    | 8.34   | 256.72   |
| Laurel          | 115.05                                   | 64.04    | 4.24   | 183.33   | 114.38                                   | 61.83    | 5.35   | 181.56   |
| Milford         | 201.75                                   | 110.88   | 11.35  | 323.98   | 198.68                                   | 108.83   | 9.33   | 316.84   |
| NCC VoTech      | 205.35                                   | 96.02    | 78.86  | 380.23   | 205.50                                   | 89.69    | 79.56  | 374.75   |
| Woodbridge      | 110.68                                   | 77.41    | 5.21   | 193.30   | 111.73                                   | 73.11    | 5.45   | 190.29   |
| Total           | 3,018.02                                 | 2,466.67 | 237.37 | 5,722.06 | 3,046.60                                 | 2,273.89 | 222.60 | 5,543.09 |

Administrative and supporting authorized positions are also earned based on the classroom teacher Division 1 units. For example, for the 967.31 teaching units that Appoquinimink earned in Fiscal Year 2023, Appoquinimink gets one secretary for each 10 units for the first 100 units and then 1 for every 12 units after that. Accordingly, they earned 82 secretary units  $[967.31 = 100 \text{ units (for the first 100)} + 72 \text{ units } (867.31 / 12)]$ .



## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

### **Our Observation and Recommendation for Objective 1**

While we did not have any findings based on our recalculation of the authorized position units allocated for any of the ten districts being reviewed, we did note that the Entitlement Report categories do not always correspond to a specific account code within the State's general ledger and/or districts have the flexibility to allocate or assign authorized positions across varying account codes.

#### **Finding 3 – More specific alignment between the State's Entitlement Report and its General Ledger**

**Condition:** Because the Entitlement Report does not always directly align with the State's general ledger account codes—and there's not always consistent coding across SDs—recalculating authorized positions requires some category assumptions. Categories like "Secretaries" may be recorded under various account codes (e.g., clerical or support), and some positions (e.g., IT, security, finance) lack specific codes and are recorded in various account codes. In addition, more recent authorized positions such as counselor or social worker roles on the Entitlement Report may not match any exact titles or codes in the State's general ledger.

**Criteria:** 14 Del. C. §1703 (a) Unit of pupils - means as defined in the following schedule of numbers of pupils enrolled in schools beginning in kindergarten and through grade 12; and for children prior to entry into kindergarten who are eligible for special education services of this title:

- (1)      Preschool Basic Special Education – 8.4
- (2)      K-3 Regular Education – 16.2
- (3)      4-12 Regular Education – 20
- (4)      K-12 Basic Special Education (Basic) – 8.4
- (5)      Pre-K-12 Intensive Special Education (Intensive) – 6
- (6)      Pre-K-12 Complex Special Education (Complex) – 2.6

These teacher units then are used for the basis of other authorized position units.

In accordance with 14 Del. C. §1504, the Office of Auditor of Accounts is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public-school districts that commence on or after July 1, 1991.

**Cause:** There is not always a direct alignment of the authorized positions included on the DDOE's Entitlement Report and the State's General Ledger account codes being charged for those authorized positions.

**Effect:** Accordingly, this lack of consistency or standardization between the Entitlement Report and the State's general ledger across all the school districts could lead to some inaccurate category assumptions when measuring the utilization of authorized positions.

**Recommendation:** We recommend that State consider setting up specific criteria whereby those authorized positions included on the DDOE's Entitlement Report be mapped to certain account codes with the State's General Ledger account codes.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

***View of Responsible Officials:***

See DDOE response to recommendation on page 36.

# State of Delaware School Districts

## Unit Counts and Authorized Positions Performance Audits

### Objective 2

To determine if the aforementioned school districts did not exceed the number of Authorized Positions units it was allocated.

The Authorized Positions units determine the amount of employee positions the SDs can allocate (or assign or appropriate) to state funding.

*As noted earlier, this performance audit is only addressing those authorized positions included on the district's Entitlement Report and funded under Division I salaries.*

### Context on State Funding for Objective 2

In connection with **Objective 2**, the SDs allocated or assigned authorized positions to the State's personnel cost appropriation (00137). The total amount of State Funding from that appropriation within the State's General Fund is illustrated below for each fiscal year.

#### Fiscal Year 2023

| School District                       | Funding for Authorized Positions        |                                |            | Additional Compensation                                 | Benefits                    | Total                               |
|---------------------------------------|---|--------------------------------|------------|---|-----------------------------|-------------------------------------|
|                                       | Entitlement Report Authorized Positions | Principals and Asst Principals | Custodians | Overtime and Extra Pay for Extra Responsibility (EPERs) | Other Employee Costs (OECs) | Personnel Costs Appropriation 00137 |
| DGL 011 by District and Account Codes |   |                                |            |   |                             |                                     |
| Appoquinimink                         | \$ 57,991,170                           | 3,014,925                      | 3,619,787  | 6,259   | 41,286,645                  | 105,918,787                         |
| Brandywine                            | 48,602,838                              | 2,792,646                      | 3,925,136  | 0   | 36,306,961                  | 91,627,581                          |
| Cape Henlopen                         | 34,300,384                              | 1,804,333                      | 1,682,367  | 3,608   | 26,797,173                  | 64,587,686                          |
| Christina                             | 57,293,159                              | 3,032,766                      | 5,348,844  | 149,464   | 42,841,635                  | 108,665,904                         |
| Colonial                              | 44,942,367                              | 2,245,096                      | 3,136,505  | 513,464   | 33,414,724                  | 84,252,157                          |
| Lake Forest                           | 14,379,121                              | 836,588                        | 1,196,895  | 29,475  | 10,727,540                  | 27,169,620                          |
| Laurel                                | 10,537,332                              | 721,070                        | 842,370    | 11,816  | 7,583,147                   | 19,685,736                          |
| Milford                               | 17,895,357                              | 998,098                        | 1,358,620  | 90,139  | 13,266,032                  | 33,608,247                          |
| NCC Vo Tech                           | 21,597,802                              | 1,111,004                      | 2,047,145  | 4,170   | 16,420,246                  | 41,180,368                          |
| Woodbridge                            | 10,547,778                              | 517,022                        | 850,165    | 33,462  | 8,344,755                   | 20,294,084                          |
| Total                                 | \$ 318,087,308                          | 17,073,548                     | 24,007,834 | 841,857   | 236,988,858                 | 596,990,170                         |

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**Fiscal Year 2022**

| School District                       | Funding for Authorized Positions        |                                |            | Additional Compensation                                 | Benefits                    | Total                               |
|---------------------------------------|---|--------------------------------|------------|---|-----------------------------|-------------------------------------|
|                                       | Entitlement Report Authorized Positions | Principals and Asst Principals | Custodians | Overtime and Extra Pay for Extra Responsibility (EPERs) | Other Employee Costs (OECs) | Personnel Costs Appropriation 00137 |
| DGL 011 by District and Account Codes |   |                                |            |   |                             |                                     |
| Appoquinimink                         | \$ 52,348,194                           | 2,866,141                      | 3,531,573  | 2,531   | 37,374,307                  | 96,122,747                          |
| Brandywine                            | 44,073,533                              | 2,655,814                      | 3,862,834  | 46  | 32,872,162                  | 83,464,389                          |
| Cape Henlopen                         | 31,469,216                              | 1,666,500                      | 1,714,721  | 1,680   | 24,418,214                  | 59,270,333                          |
| Christina                             | 54,698,009                              | 2,830,643                      | 5,364,370  | 131,209   | 40,831,540                  | 103,855,773                         |
| Colonial                              | 44,683,206                              | 2,214,033                      | 3,045,864  | 453,139   | 33,116,143                  | 83,512,387                          |
| Lake Forest                           | 13,817,255                              | 786,859                        | 1,151,143  | 36,460  | 10,122,800                  | 25,914,518                          |
| Laurel                                | 10,022,308                              | 408,817                        | 723,269    | 0   | 7,165,727                   | 18,320,122                          |
| Milford                               | 17,132,718                              | 958,851                        | 1,358,141  | 40,500  | 12,659,118                  | 32,149,329                          |
| NCC VoTech                            | 20,957,130                              | 1,071,734                      | 2,026,024  | 500   | 16,019,247                  | 40,074,636                          |
| Woodbridge                            | 10,371,189                              | 472,610                        | 833,876    | 24,661  | 7,971,849                   | 19,674,186                          |
| Total                                 | \$ 299,572,758                          | 15,932,002                     | 23,611,815 | 690,726   | 222,551,107                 | 562,358,420                         |

**Our Observation and Recommendation for Objective 2**

**Finding 4 – Independent review of compliance with authorized positions on a periodic basis is hindered by potential Payroll Funding Adjustments (PFAs).**

**Condition:** Because a school district can always use a PFA to recode how potential authorized positions are being funded at any time in the same fiscal year, any true compliance assessment of authorized positions must be done based on the entire fiscal year rather than at any point in time. For example, a salary that may have been funded by state, local or federal funds in September of 2021, can be retroactively recoded by a PFA in June of 2022 to fund the entire September salary from state funds.

**Criteria:** 14 Del. C. §1703 (a) Unit of pupils - means as defined in the following schedule of numbers of pupils enrolled in schools beginning in kindergarten and through grade 12; and for children prior to entry into kindergarten who are eligible for special education services of this title:

- (7)      Preschool Basic Special Education – 8.4
- (8)      K-3 Regular Education – 16.2
- (9)      4-12 Regular Education – 20
- (10)     K-12 Basic Special Education (Basic) – 8.4
- (11)     Pre-K-12 Intensive Special Education (Intensive) – 6
- (12)     Pre-K-12 Complex Special Education (Complex) – 2.6

These teacher units then are used for the basis of other authorized position units.

In accordance with 14 Del. C. §1504, the Office of Auditor of Accounts is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public-school districts that commence on or after July 1, 1991.



## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

***Cause:*** PFAs are commonly used to recode how school district positions are being funded and such PFAs can be done any time within the fiscal year to retroactively recode the funding of those positions.

***Effect:*** PFAs recorded in one month may affect any prior month in the fiscal year to the point where the SDs may be out of compliance with its Authorized Positions for the corrected month (i.e. SDs calculated understatement of authorized positions in a particular month but PFA charged to that particular month would produce an overstatement).

***Recommendation:*** We recommend that DDOE, with input from Division of Accounting, consider establishing shorter timelines on when PFAs need to be completed to retroactively recode past transactions. This would allow the AOA or other State agency the opportunity to examine the number of authorized positions versus the number of actual positions a district has employed on a more routine or periodic basis without having to review an entire fiscal year.

### ***View of Responsible Officials:***

See DDOE response to recommendation on page 37.

## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

### **Objective 3**

**To review the aforementioned school districts' internal controls over their management of the allocated authorized positions on an ongoing basis.**

While the performance audit testwork for Objective 2 determines whether the school districts exceeded their authorized positions, we also wanted to gain a general understanding of how the school districts managed the authorized positions they are allocated or assigned by the State. This Objective 3 would include an understanding of what internal controls may be embedded in their approach to managing their authorized positions and how those allocations are monitored and/or reconciled on an ongoing basis.

### **Our Observations and Recommendations for Objective 3**

**Finding 5A – The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls.**

**Condition:** Districts have their own models, staff listings and reconciliation processes to manage their authorized positions. Some districts monitor the status of authorized positions every pay period or perform routine monitoring based on coordination with Human Resources or changes in personnel on a periodic basis. These methodologies can be time consuming and usually involve the dedication and input of the school district's senior financial management. While these varying methodologies exist, the detailed processes and corresponding internal controls underlying such methodologies are not formally documented.

**Criteria:** In accordance with 14 Del. C. §1705 and §1709, no state funds from Division I may be appropriated to any school district to provide salaries for more teachers than shall actually be employed in such school district, and no part of any amount appropriated to any district may be transferred from a subdivision of Division I to any other such subdivision of Division I or to Division II or from Division II to any subdivision of Division I.

**Cause:** Because senior financial management is typically involved in the preparation of the schedules, listings and other reports that may be utilized to manage its authorized positions, the districts have a tendency to not formally document how they manage their authorized positions or established formal internal controls over the schedules, listings or reports being utilized.

**Effect:** While our review of the authorized positions did not note any authorized positions that were exceeded, because of the significant dollars and complexity involved in managing authorized positions, there is always the possibility that positions could be exceeded if not properly and periodically monitored and controlled.

**Recommendation:** Based on the processes and procedures presently utilized by each school district, we suggest that each district formally document their processes and procedures over managing their authorized positions. Further, the business managers at each district should meet to discuss the processes and develop a uniform, consistent model for all 19 districts to use. The documentation should include periodic reconciliations and sign offs over the process. This would ensure that those processes are consistently followed on periodic basis even if there are changes in personnel.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

We understand the HR Tracking in PHRST may be a vehicle that could incorporate some of these recommendations.

***View of Responsible Officials:***

See District responses finding and recommendation on pages 21 to 32.

## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

**Finding 5B – There does not appear to be any further detailed oversight or periodic monitoring of each school district’s utilization of authorized positions outside of the district itself.**

**Condition:** Managing authorized positions can be a very complex and time-consuming process and is solely managed by the school districts themselves. Based on the ten districts Gunnip reviewed as part of this performance audit, during fiscal year 2023 and 2022, \$318,087,309 and \$299,572,759, respectively, of authorized positions were funded from State General funds. In addition, while not tested as part of this performance audit, another \$41,082,282 and \$39,543,816 were funded by State General funds for principals, assistant principals and custodians for each fiscal year.

This lack of detailed oversight outside the district appears inconsistent considering the dollars involved and the oversight criteria utilized for other school district transactions. Unlike the need for expenditures and corresponding Purchase Orders for amounts over \$10,000 which require internal accountant, business manager and Division of Accounting approval, there is no detailed oversight outside the district for the hundreds of millions of dollars that flow through the General Fund appropriation. Especially, when considering much of the school district review is managed by just one, two or a few individuals.

**Criteria:** In accordance with 14 Del. C. §1705 and §1709, no state funds from Division I may be appropriated to any school district to provide salaries for more teachers than shall actually be employed in such school district, and no part of any amount appropriated to any district may be transferred from a subdivision of Division I to any other such subdivision of Division I or to Division II or from Division II to any subdivision of Division I.

**Cause:** There does not appear to be any specific guidance or detailed oversight concerning the allocation and monitoring of Authorized Positions outside the districts themselves.

**Effect:** Millions of dollars have been allocated to the State’s General Fund appropriation without detailed oversight by the State outside the district.

**Recommendation:** We recommend that OMB or DDOE develop a mechanism to provide detailed oversight of the authorized position process at the school districts. While some of the methodology in our performance may be useful for this oversight, the audit itself should not be the control.

### ***View of Responsible Officials:***

See OMB response to recommendation on page 38  
The DDOE did not respond to this recommendation.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**APPENDIX I**

**Management Responses**



# BRANDYWINE SCHOOL DISTRICT

1311 BRANDYWINE BOULEVARD  
WILMINGTON, DE 19809-2306

(302)793-5000  
[www.brandywineschools.org](http://www.brandywineschools.org)

LISA A. LAWSON, Ed.D.  
SUPERINTENDENT OF SCHOOLS

JASON HELLER  
PRESIDENT, BOARD OF EDUCATION

JOHN SKROBOT, III  
VICE-PRESIDENT, BOARD OF EDUCATION

Gunnip & Company LLP  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808-1627

Please find below Brandywine School District's responses to findings in connection with the Unit Counts and Authorized Positions Performance Audits for fiscal years ending June 30, 2023, and 2022.

**Finding 1:** Proper documentation was missing to support enrollment or the special education classification.

**Condition:** There were 6 districts out of 10 selected that were missing some supporting documentation regarding attendance or classification of students (regular and special education enrollments) during the unit count period.

**Recommendation:** We recommend that any district with missing attendance support ensure it has proper documentation of its unit count processes and procedures in accordance with the annual training provided by the DDOE and develop a reconciliation process to ensure student enrollment was accurately captured during the Unit Count process.

**Management Response:** Brandywine School District acknowledges this finding and recognizes the importance of accuracy and documentation in the determination of unit count. Brandywine School District will review processes and procedures related to unit count and ensure the necessary staff have appropriate training.

**Finding 2:** The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls.

**Condition:** Districts have their own models, staff listings and reconciliation processes to manage their authorized positions. Some districts monitor the status of authorized positions every pay period or perform routine monitoring based on coordination with Human Resources or changes in personnel on a periodic basis. These methodologies can be time consuming and usually involve the dedication and input of the school district's senior financial management. While these varying methodologies exist, the detailed processes and **corresponding internal controls underlying such methodologies are not formally documented.**

**Recommendation:** Based on the processes and procedures presently utilized by each school district, we suggest that each district formally document their processes and procedures over managing their authorized positions. Further, the business managers at each district should meet to discuss the processes

It is the directive of the Board of Education that the Brandywine School District shall not discriminate in its employment practices or its educational programs and activities for students on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, disability, age, veteran status or other legally protected characteristic. All policies, regulations and practices of the District shall be guided by this directive.



# BRANDYWINE SCHOOL DISTRICT

1311 BRANDYWINE BOULEVARD  
WILMINGTON, DE 19809-2306

(302)793-5000  
[www.brandywineschools.org](http://www.brandywineschools.org)

LISA A. LAWSON, Ed.D.  
SUPERINTENDENT OF SCHOOLS

JASON HELLER  
PRESIDENT, BOARD OF EDUCATION

JOHN SKROBOT, III  
VICE-PRESIDENT, BOARD OF EDUCATION

and develop a uniform, consistent model for all 19 districts to use. The documentation should include periodic reconciliations and sign offs over the process. This would ensure that those processes are consistently followed on periodic basis even if there are changes in personnel.

**Management Response:** Brandywine School District agrees with the condition that reconciling positions is a time-consuming process for staff. However, this process is made necessary because of the methods by which the State funds school districts. Each District in Delaware is faced with different circumstances (funding, educational approach, etc.) that make uniformity of this process across all Districts impossible. The reconciliation process is highly specific to concerns at that point in time; documentation of the process would be difficult to capture. Brandywine School District will document the overarching idea of the process and encourages change in funding methods to alleviate the need for such a time-consuming, unique process.

Daniel McCoy

Chief Financial Officer

Dr. Deirdra Joyner  
Superintendent

Robert Vacca  
Chief Financial Officer

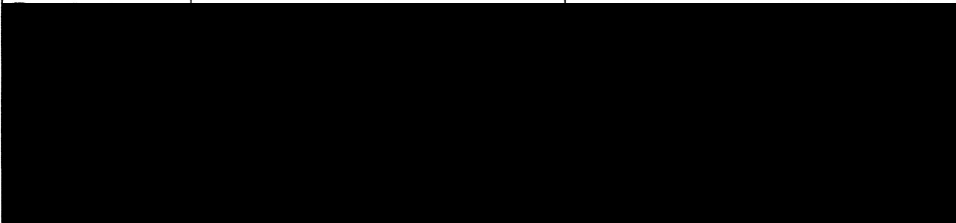
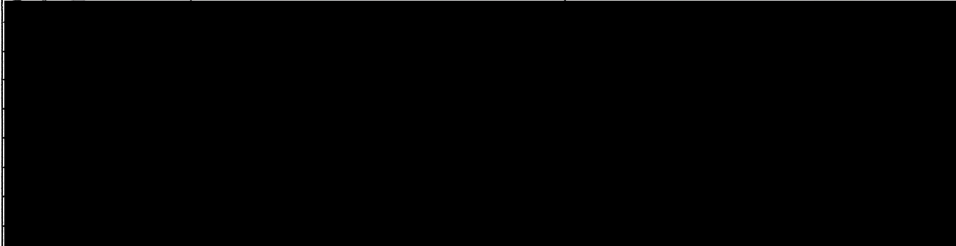
Robert Wright, CPA  
Partner  
Gunnip & Company LLP  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808-1627

Dear Bob,

For ease of reference, I have organized our responses in the same order in which they appear in your report, detailing audit responses by finding and recommendation followed by our responses.

**Audit Finding & Recommendation(s) 1**

**Proper documentation was missing to support enrollment or the special education classification**

| Findings/Observations  |  |  |
|--|--|--|
| School District Enrollment   | <u>Fiscal Yr 2023</u><br>School Year 2022-2023<br>September 30, 2022<br>Unit Count | <u>Fiscal Yr 2022</u><br>School Year 2021-2022<br>September 30, 2021<br>Unit Count |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| <b>Christina</b>   |  |  |
| Regular  | 1 missing proof of attendance  | 1 missing proof of attendance  |
| Special Ed   | 1 missing proof of attendance  | 1 missing proof of attendance  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |



## **Recommendations**

- 1) We recommend that any district with missing attendance support ensure it has proper documentation of its unit count processes and procedures in accordance with the annual training provided by the DDOE and develop a reconciliation process to ensure student enrollment was accurately captured during the Unit Count process.
- 2) While the Special Ed Department within the DDOE has some processes in place to monitor special education units on an ongoing basis, there are no such review processes in place for regular education units. Accordingly, we recommend the DDOE consider doing periodic reviews of district regular unit counts to assess the accuracy of those figures as well as address any potential concerns on how the unit counts are being coordinated and managed.
- 3) We also recommend that the DDOE consider promoting an attendance report that could be used consistently by each district and each school within the district. We believe this would allow for more consistency in the review and reconciliation of attendance reports to the FSR.

## **CSD's Audit Response to Recommendations 1-3**

We concur with these recommendations. While the finding shows 2 samples missing from 253 representing an error rate of .008, we believe there is always room for improvement and accept this recommendation.

## **Audit Finding & Recommendation 5A**

**The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls**

### **Recommendation:**

Based on the processes and procedures presently utilized by each school district, we suggest that each district formally document their processes and procedures over managing their authorized positions. Further, the business managers at each district should meet to discuss the processes and develop a uniform, consistent model for all 19 districts to use. The documentation should include periodic reconciliations and sign offs over the process. This would ensure that those processes are consistently followed on periodic basis even if there are changes in personnel. We understand the HR Tracking in PHRST may be a vehicle that could incorporate some of these recommendations.

## **CSD Audit Response to Recommendation 5A**

Christina has led the way in developing the HR Staff Tracking application that reconciled our payroll to 100% accuracy in this audit. We agree with the recommendation to document this new method of reconciling division 1 units paid to the Position Entitlement Report and various other DOE Unit Count Reports available.

### Closing Comment

Christina welcomes and appreciates the opportunity to learn and share best practices through our relationships with other state agencies and auditors. We found your work to be thorough, deliberate and thoughtful and your approach very professional.

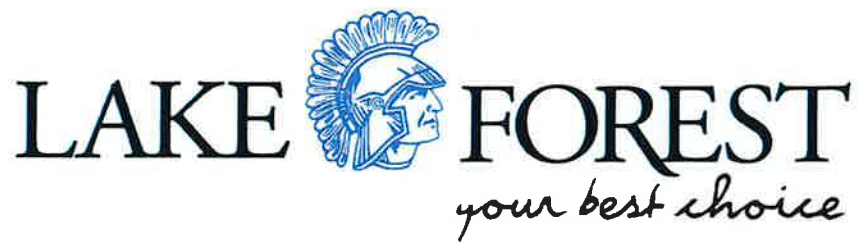
Best Regards



Robert A. Vacca

Chief Financial Officer

Christina School District



*The vision of the Lake Forest School District is to be the model of excellence in education.*

August 14, 2025

In reference to the Fiscal Year 2022 and 2023 Unit Count and Authorized Positions Performance Audit findings, the Lake Forest School District presents the following responses:

**Finding Number 1 – Missing Assurance Forms on an IEP from 2022 and 2023:**

**District Response:**

The District recognizes the finding and has added this topic to our annual unit count training. Proper documentation for the special education classification will also be added to our District Unit Count Manual.

**Finding Number 5A – Formal Procedures and Controls Over Authorized Positions:**

**District Response:**

The District will revisit its policies and procedures to ensure management of authorized positions is documented and this issue is resolved moving forward. The District will also work with other school districts to develop a uniform, consistent model for managing authorized positions.

The District will continue to evaluate our processes and procedures to ensure compliance with Delaware Department of Education guidelines.

Kurt J. Kelemen  
Chief Financial Officer  
Lake Forest School District

**Superintendent**  
**Steven V. Lucas, Ed.D.**  
**Central Business Office**  
**5423 Killens Pond Road**  
**Felton, Delaware 19943-9801**  
**Office: 302-284-3020 Ext. 104, Fax: 302-284-5831**  
**[Steven.Lucas@lf.k12.de.us](mailto:Steven.Lucas@lf.k12.de.us)**

**Board of Education**  
**James L. Rau, President**  
**Sarah Starkey, Vice President**  
**Jordan McCloskey**  
**Betty A. Wyatt, Ed.D.**

# The Laurel School District

District Office

1160 S. Central Avenue

Laurel, Delaware 19956 • (302) 875-6100 • FAX (302) 875-6106



August 19, 2025

Robert Wright, CPA  
Gunnip & Company LLP  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808-1627

RE: Response to State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits for Fiscal Years Ending June 30, 2023 and 2022

Dear Mr. Wright,

In connection with your performance audit of the State of Delaware School Districts Unit Counts and Authorized Positions for Fiscal Years Ending June 30, 2023 and 2022, the Laurel School District respectfully offers the following response to selected findings and recommendations:

**Finding 1 – Missing proof of attendance**

The Laurel School District will ensure adequate documentation of proof of attendance is maintained in school unit count records.

**Finding 4 – Recommendation to establish a shorter timeframe to process Payroll Funding Adjustments (PFAs)**

The Laurel School District is opposed to establishing shorter timeframes to process PFAs. Like standard journal entries, PFAs are necessary at various times throughout the year such as to allow recoding of payroll transactions at fiscal year-end, when federal funds become available or are ending, and to correct general funding or coding errors. Limiting the timeframe for PFAs would not allow sufficient time to review records and perform reconciliations of positions and funding information to determine if PFAs are needed. This could result in the loss of available funds to the district.

**Finding 5A – Document processes for managing authorized positions**

The Laurel School District agrees processes for managing and reconciling authorized positions should be documented and will incorporate these processes in its written internal control policies.

The Laurel School District appreciates the opportunity to provide responses to the above findings and recommendations and would like to thank the audit team for their courtesy during the audit.

Sincerely,

Laura Horsey  
Director of Finance



# WOODBIDGE SCHOOL DISTRICT

Proud Past, *Bright Future!*

16359 Sussex Hwy, Bridgeville, Delaware 19933

(302) 337-7990 Fax (302) 337-7998

August 18, 2025

Gunnip & Company LLP  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808

In reference to the Fiscal Year 2022 and 2023 Unit Counts and Authorized Positions Performance Audits, the Woodbridge School District (the District) presents the following responses:

**Unit Count Objective 1, Finding 1: Proper documentation was missing to support enrollment or the special education classification.**

The District acknowledges the classification of students is extremely important to the funding formula and we will revisit our internal procedures to ensure data is accurately reported in the Student Information System.

**Authorized Positions Objective 3, Finding 5A: The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls.**

The District has a process in place to review authorized positions each pay period to ensure only earned units are filled, including a periodic review with Senior Leadership. However, the District will formally document these processes and ensure the reviews are properly documented.

The District will continue to evaluate our processes to ensure compliance with Delaware Code and the *September 30<sup>th</sup> Enrollment and Unit Allotment Regulations and Guidelines* issued by the Delaware Department of Education.

Sincerely,

Kimberly Judy, CPA, CFE  
Director of Administrative Services

The Woodbridge School District is an Equal Opportunity Employer and does not discriminate in employment or in educational programs or activities, on the basis of race, color, creed, religion, gender (including pregnancy, childbirth and related medical conditions), national origin, citizenship or ancestry, age, disability, marital status, veteran status, genetic information, sexual orientation, gender identity, or upon any other categories protected by federal, state, or local law.



# Cape Henlopen School District



Oliver Gumbs  
Director of Finance  
oliver.gumbs@cape.k12.de.us

District Office  
1270 Kings Highway, Lewes, DE 19958  
P (302) 645-6686 F (302) 645-6684

**TO: Auditor of Accounts**  
**FROM: Oliver Gumbs, Director of Finance**  
**DATE: August 15, 2025**  
**RE: FY 2022 and FY 2023 Unit Count and Authorized Position Audit Response**

---

## **Objective 3**

**To review the aforementioned school districts' internal controls over their management of the allocated authorized positions on an ongoing basis.**

While the performance audit test work for Objective 2 determines whether the school districts exceeded their authorized positions, we also wanted to gain a general understanding of how the school districts managed the authorized positions they are allocated or assigned by the State. This Objective 3 would include an understanding of what internal controls may be embedded in their approach to managing their authorized positions and how those allocations are monitored and/or reconciled on an ongoing basis.

## **Our Observations and Recommendations for Objective 3**

**Finding 5A – The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls.**

**Condition:** Districts have their own models, staff listings and reconciliation processes to manage their authorized positions. Some districts monitor the status of authorized positions every pay period or perform routine monitoring based on coordination with Human Resources or changes in personnel on a periodic basis. These methodologies can be time consuming and usually involve the dedication and input of the school district's senior financial management. While these varying methodologies exist, the detailed processes and corresponding internal controls underlying such methodologies are not formally documented.

**Criteria:** In accordance with 14 Del. C. §1705 and §1709, no state funds from Division I may be appropriated to any school district to provide salaries for more teachers than shall actually be employed in such school district, and no part of any amount appropriated to any district may be transferred from a subdivision of Division I to any other such subdivision of Division I or to Division II or from Division II to any subdivision of Division I.

**Cause:** Because senior financial management is typically involved in the preparation of the schedules, listings and other reports that may be utilized to manage its authorized positions, the districts have a tendency to not formally document how they manage their authorized positions or established formal internal controls over the schedules, listings or reports being utilized.

**Effect:** While our review of the authorized positions did not note any authorized positions that were exceeded, because of the significant dollars and complexity involved in managing authorized positions, there is always the possibility that positions could be exceeded if not properly and periodically monitored and controlled.

**Recommendation:** Based on the processes and procedures presently utilized by each school district, we suggest that each district formally document their processes and procedures over managing their authorized positions. Further, the business managers at each district should meet to discuss the processes and develop a uniform, consistent model for all 19 districts to use. The documentation should include periodic reconciliations and sign offs over the process. This would ensure that those processes are consistently followed on periodic basis even if there are changes in personnel.

We understand the HR Tracking in PHRST may be a vehicle that could incorporate some of these recommendations.

**Response:** The District will update its procedures and agrees that there is the opportunity to develop consistent guidelines to be used across all districts.

Date: August 20, 2025

To: Robert Wright, Partner, Gunnip & Company LLP

Re: Unit Count and Authorized Positions Performance Audit Finding 5A

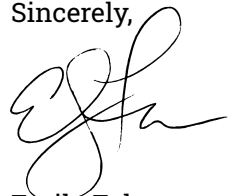
Dear Bob,

Finding 5A of the audit report calls for districts to better document the processes around position management to ensure consistency and continuity. While I agree with this concept, the complexity of the numerous systems that are involved and the granular level at which much of this is managed make it virtually impossible to document every possible scenario through procedures.

Much of the complexity could be reduced if state systems were better aligned, as is noted in your report. Currently, the payroll system, the accounting system and the teacher certification system are not aligned in a consistent manner. This creates a dynamic that sometimes requires district staff to find a 'best fit' to document positions across systems in ways that would be very cumbersome to document. Additionally, the reporting tools of these systems don't easily accommodate or delineate the type of information to easily track 10 month positions being paid over 12 months.

The continually changing dynamics of the educational environment, coupled with inadequate systems and tools currently provided by the state, require that position management be an active function handled at the highest levels of the districts.

Sincerely,



Emily Falcon



August 20, 2025

**ADMINISTRATION**

Travis C. Moorman, M.Ed.  
Superintendent

Laura Bond, Ed.D.  
Director of Human Resources

Jennifer Hallman, Ed.D.  
Director of Special Programs

Bobbie Kilgore, Ed.D.  
Director of Teaching and Learning

Tammy B. Smith, CPA, CFE  
Chief Operating Officer

**BOARD OF EDUCATION**

Scott L. Fitzgerald  
President

Matt Bucher  
Vice President

Ashlee N. Connell

Victor C. Elzey

Jennifer L. Massotti

Yanelle Powell

**Mailing Address**

906 Lakeview Avenue  
Milford, DE 19963

**Telephone**

302-422-1600

**Fax**

302-422-1608

**Website**

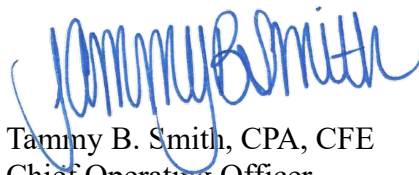
[www.milfordschooldistrict.org](http://www.milfordschooldistrict.org)

The Milford School District provides the following response regarding the State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits for Fiscal Years Ending June 30, 2023 and 2022:

**Finding 5A – The districts should develop written policies and procedures on how they manage their Authorized Positions along with corresponding internal controls.**

**District Response:**

Milford School District will review and update, as necessary, processes and procedures related to the management of positions authorized through the September 30<sup>th</sup> Unit Count. We will also collaborate with other school districts to develop a uniform, consistent model that also ensures maintaining proper internal controls.



Tammy B. Smith, CPA, CFE  
Chief Operating Officer





# NEW CASTLE COUNTY VOCATIONAL-TECHNICAL SCHOOL DISTRICT

---

1417 NEWPORT ROAD, WILMINGTON, DELAWARE 19804  
(302) 995-8050

YVETTE SANTIAGO  
President  
Board of Education

JOSEPH JONES, Ed.D.  
Superintendent

MADELINE BOLDEN JOHNSON  
Vice President  
Board of Education

August 13, 2025

Robert Wright  
Partner  
Gunnip & Company LLP  
Little Falls Centre Two  
2751 Centerville Road, Suite 300  
Wilmington, DE 19808

Dear Mr. Wright,

This letter is in response to the Final Audit Report regarding the New Castle County Vo-Tech School District Unit Count and Authorized Positions Engagement for fiscal years 2022 and 2023.

The District recognizes the importance of accurately tracking authorized positions. This process is overseen by the Business Manager with input from the Human Resources Director, Principals, and other staff. Positions are recorded in a shared spreadsheet, and no vacancy is posted unless it is to replace an employee who has left the District. In cases where new positions are needed, they are not posted until funding has been identified.

Throughout the fiscal year, payroll system reports are regularly reviewed and reconciled with the authorized positions documented in the shared spreadsheet. As a result, the District believes it has an excellent system for tracking and monitoring authorized positions. However, as noted in the audit recommendation, there were no written procedures in place. In response, the District has now developed and implemented formal written procedures.

The New Castle County Vo-Tech School District appreciates the guidance and cooperation of your organization during this audit. The recommendation has already been fully implemented.

Please do not hesitate to contact me if you have any questions regarding this letter.

Sincerely,

Sean Sokolowski  
Director of Business  
New Castle County Vo-Tech School District

**DELAWARE DEPARTMENT OF EDUCATION**  
***Technology Office – Enrollment Program***



August 15, 2025

Response to State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits for Fiscal Years Ending June 30, 2023, and 2022.

The Delaware Department of Education has received feedback from the draft report for the above audit and has provided the responses below as requested. There are two sections to the response, the section referring to Unit Count documentation, monitoring and user controls completed by the Delaware Department of Education (DDOE) Technology Office Enrollment Program, and the section referring to Authorized Positions and PFAs, completed by DDOE Finance.

Section 1 – DDOE Technology Office Enrollment Program

**Our Observations and Recommendations for Objective 1**

**Finding 1 - Proper documentation was missing to support enrollment or the special education classification**

**Condition:** There were 6 LEAs out of 10 selected that were missing some supporting documentation regarding attendance or classification of students (regular and special education enrollments) during the unit count period.

**Criteria: 14 Del. C. §1704 (1)** The number of units shall be calculated based upon the total enrollment of pupils in each school district as of the last school day of September. The total number of units by school district so determined shall be known as the “actual unit count.” The Department of Education shall annually (after September 30) certify and report the number of units as required in § 1710 of this title.

**Cause:** Some student enrollment was missing the proper support and/or some of the classroom attendance reports did not reconcile to the FSR.

**Effect:** The district may have overstated the enrollment reported to the DDOE.

**Recommendations:**

- 1) We recommend that any district with missing attendance support ensure it has proper documentation of its unit count processes and procedures in accordance with the annual

training provided by the DDOE and develop a reconciliation process to ensure student enrollment was accurately captured during the Unit Count process.

## LEA Response

2) While the Special Ed Dept within the DDOE has some processes in place to monitor special education units on an ongoing basis, there are no such review processes in place for regular education units. Accordingly, we recommend the DDOE consider doing periodic reviews of district regular unit counts to assess the accuracy of those figures as well as address any potential concerns on how the unit counts are being coordinated and managed.

DDOE concurs with the recommendation for the agency to conduct periodic reviews of district regular education units to assess the accuracy of these figures as well as address potential concerns about how the unit counts are being coordinated. DDOE will finalize the monitoring process, assess resources and establish an estimated implementation date based on staffing capacity.

3) We also recommend that the DDOE consider promoting an attendance report that could be used consistently by each district and each school within the district. We believe this would allow for more consistency in the review and reconciliation of attendance reports to the FSR.

DDOE agrees with continuing to require a standard Attendance report from our Student Information System as it pertains to unit count. LEAs were previously required to have a signed Attendance Register report from PowerSchool for the 10-day unit count window included in their annual Unit Count audit file, at both a district and school level. We will continue this process with the adoption of Infinite Campus. During the annual Unit Count training in August 2025, DDOE reviewed the auditors' feedback with the LEAs, and defined the report that should be used in the new SIS. LEAs will also align their local attendance reporting verifications with the IC Attendance Register report to assure consistency across multiple reporting options.

## View of Responsible Officials

**Any District with a Finding for Recommendation 1  
DDOE to for Recommendations 2) and 3)**

## **Our Observations and Recommendation for Objective 2**

**Finding 2** – 19 sampled Write Access and 23 sampled Read Access employees included on the DDOE's Unit Count Plus system were no longer employed by the district. The time between employee's termination and the run date of LEAs Employee Listings (effective date September 7, 2023) ranged from one month to eight years.

**Condition:** All 10 LEAs had at least one former employee that was assigned a role in the Unit Count Plus system whose access was not removed upon termination of employment.

**Criteria:** The State's DTI Enterprise Policy states that each employee manager is responsible for providing prompt notification to their Human Resources Office and/or Organization Information Security Officer (ISO) when there is a change to an employee or vendor status. This includes changes in a job function that may impact the type of information they are authorized to access. The ISO shall work with Human Resources and/or the hiring manager to cross check all terminations and transfers and ensure that all State assets are returned. Access shall expire on the last day of employment or transfer. Timeliness in carrying out these responsibilities will help to maintain effective account maintenance and will mitigate security risks.

**Cause:** LEAs have not developed adequate procedures to ensure all terminated employees are removed from the State's systems on a timely basis.

**Effect:** Employees who have been terminated or transferred may have access to student and other sensitive information that is no longer appropriate. This could allow terminated or transferred employees to disrupt state operated systems or disclose sensitive information that they should no longer be privy to.

**Recommendation:** We recommend that each LEA develop and document its policy and procedures to ensure all employees are terminated from the relevant State's systems on the last day of employment or transfer. This policy should include communication or correspondence with the system's host to verify access to any relevant systems has been revoked. Beginning School Year 2025, DDOE established the EdAccess Management Annual Review Process requirement for LEAs. LEAs are required to confirm their review of all accounts by the last business day in October.

### ***View of Responsible Officials***

Because LEAs have migrated from the Unit Count Plus system to Infinite Campus, after the access test work was performed, the above findings are not completely applicable anymore. However, as stated in our recommendation, LEAs should ensure only necessary and current employees have access to Infinite Campus system and Gunnip and/or the AOA may test those access controls going forward.

DDOE agrees with the findings and that each LEA should have their own procedures in place to review and audit user access as employees come and go. We also agree that with the adoption of Infinite Campus, many of the user access issues were resolved. We will incorporate guidance on how LEAs can review their user lists in the Unit Count application during our annual Unit Count training.

## Section 2 – DDOE Finance

### **Objective 1:**

**Cause:** There is not always a direct alignment of the authorized positions included on the DDOE's Entitlement Report and the State's General Ledger account codes being charged for those authorized positions.

**Effect:** Accordingly, this lack of consistency or standardization between the Entitlement Report and the State's general ledger across all LEAs could lead to some inaccurate category assumptions when measuring the utilization of authorized positions.

**Recommendation:** We recommend that State consider setting up specific criteria whereby those authorized positions included on the DDOE's Entitlement Report be mapped to certain account codes with the State's General Ledger account codes.

DDOE will facilitate discussions with the appropriate stakeholders to outline options to develop a method in PHRST to identify entitled positions in the system. There is also an opportunity to address this with the development of the new system to replace PHRST in the near future.

### **Objective 2:**

**Cause:** PFAs are commonly used to recode how school district positions are being funded and such PFAs can be done any time within the fiscal year to retroactively recode the funding of those positions.

**Effect:** PFAs recorded in one month may affect any prior month in the fiscal year to the point where LEAs may be out of compliance with its Authorized Positions for the corrected month (i.e. LEAs calculated understatement of authorized positions in a particular month but PFA charged to that particular month would produce an overstatement).

**Recommendation:** We recommend that DDOE, with input from Division of Accounting, consider establishing shorter timelines on when PFAs need to be completed to retroactively recode past

transactions. This would allow the AOA or other State agency the opportunity to examine the number of authorized positions versus the number of actual positions a district has employed on a more routine or periodic basis without having to review an entire fiscal year.

DOA and DDOE explained to AOA that PFA timelines cannot be restricted throughout the year due to LEA operational and fiscal needs. DDOE recommended that the audit is conducted after the year is concluded to incorporate all PFAs. DDOE will facilitate follow up discussions on this topic to brainstorm other solutions.

### **Objective 3:**

**Cause:** Because senior financial management is typically involved in the preparation of the schedules, listings and other reports that may be utilized to manage its authorized positions, LEAs have a tendency to not formally document how they manage their authorized positions or established formal internal controls over the schedules, listings or reports being utilized.

**Effect:** While our review of the authorized positions did not note any authorized positions that were exceeded, because of the significant dollars and complexity involved in managing authorized positions, there is always the possibility that positions could be exceeded if not properly and periodically monitored and controlled.

**Recommendation:** Based on the processes and procedures presently utilized by each LEA, we suggest that each LEA formally document their processes and procedures over managing their authorized positions. Further, the business managers at each LEA should meet to discuss the processes and develop a uniform, consistent model for all 19 resident districts to use. The documentation should include periodic reconciliations and sign offs over the process. This would ensure that those processes are consistently followed on periodic basis even if there are changes in personnel.

LEA response.

***Finding 5B – There does not appear to be any further detailed oversight or periodic monitoring of each school district’s utilization of authorized positions outside of the district itself.***

**Condition:** Managing authorized positions can be a very complex and time-consuming process and is solely managed by the school districts themselves. Based on the ten districts Gunnip reviewed as part of this performance audit, during fiscal year 2023 and 2022, \$318,087,309 and \$299,572,759, respectively, of authorized positions were funded from State General funds. In addition, while not tested as part of this performance audit, another \$41,082,282 and \$39,543,816 were funded by State General funds for principals, assistant principals and custodians for each fiscal year.

This lack of detailed oversight outside the district appears inconsistent considering the dollars involved and the oversight criteria utilized for other school district transactions. Unlike the need for expenditures and corresponding Purchase Orders for amounts over \$10,000 which require internal accountant, business manager and Division of Accounting approval, there is no detailed oversight outside the district for the hundreds of millions of dollars that flow through the General Fund appropriation. Especially, when considering much of the school district review is managed by just one, two or a few individuals.

**Criteria:** In accordance with 14 Del. C. §1705 and §1709, no state funds from Division I may be appropriated to any school district to provide salaries for more teachers than shall actually be employed in such school district, and no part of any amount appropriated to any district may be transferred from a subdivision of Division I to any other such subdivision of Division I or to Division II or from Division II to any subdivision of Division I.

**Cause:** There does not appear to be any specific guidance or detailed oversight concerning the allocation and monitoring of Authorized Positions outside the districts themselves.

**Effect:** Millions of dollars have been allocated to the State's General Fund appropriation without detailed oversight by the State outside the district.

**Recommendation:** We recommend that OMB or DDOE develop a mechanism to provide detailed oversight of the authorized position process at the school districts. While some of the methodology in our performance may be useful for this oversight, the audit itself should not be the control.

**View of Responsible Officials (OMB/DDOE):**

The management of authorized positions, including allocation and monitoring, are the statutory responsibility of the Local Education Agencies (LEAs). While the Delaware Department of Education (DDOE) and the Office of Management and Budget (OMB) support funding and policy guidance, oversight and compliance with 14 Del. C. §1705 and 1709 rest with the LEAs.

The planned replacement of the PHRST, human resource, system presents an opportunity to incorporate enhancements that could support districts in managing authorized positions more effectively. However, primary responsibility remains with the LEAs, and any system-level changes would be designed to assist rather than replace local accountability.





## **MEMORANDUM**

**TO:** Robert Wright  
Gunnip & Company LLP

**FROM:** Melissa Marlin, Deputy Director  
Budget Development and Planning  
Office of Management and Budget

**DATE:** August 20, 2025

**SUBJECT:** Office of Management and Budget Response to Finding 5B

---

In accordance with Delaware Code, the Annual Appropriations Act, and education regulations, there may be several different types of units and positions permitted to be charged to 00137. For example, classroom teachers, school nurses, and mental health professionals all may be charged to 00137. Further, positions may be authorized by units, but not charged to appropriation 00137. For example, 14 Del. C. 1705(b) authorizes LEAs to employ additional teachers out of Division II and III funds; 14 Del. C. 1716 allows for, but does not require, school personnel to be funded out of Academic Excellence Block Grant units. This further complicates the reconciliation between authorized units and authorized positions.

In addition, the current allocation/expenditure method affords school districts the flexibility to manage payroll expenses based on their state, local, and federal cash flows. LEAs are not required to “match” state funds to local funds each pay cycle. Limiting 00137 funding and position allocations specifically to the snapshot of the September 30 Unit Count will limit district’s ability to implement changing federal or state requirements, mid-year changes in the unit count, or natural turnover of staff throughout the year. Increased standardized reporting from the LEAs could more directly reconcile the LEA 00137 allocations/expenditures to authorized units/positions, specifically Division I units.

This reporting and reconciliation responsibility cannot reside with OMB. In accordance with 14 Del. C. 1704, the Department of Education must certify and report the annual September 30 Unit Count. OMB has no formal role in this process. The official data of record for the number of employed teachers is the PHRST system, but considering the existing flexibility outlined above, LEAs must be able to reconcile the number of teacher FTEs with the number of authorized units permitted by law.

**CC:** Andrea Godfrey, Director  
Nicholas Konzelman, Chief Education Policy Analyst



**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**APPENDIX II**

**Audit Scope, Compliance, Methodology, Results and Conclusion**

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

### **Scope**

The Performance Audit was performed for fiscal years 2022 and 2023 and encompasses the period July 1, 2021 to June 30, 2023.

Since the audit is primarily focused on the school districts, fiscal year 2023 represents school year 2022-2023 which is subject to the September 30, 2022 unit count and fiscal year 2022 represents school year 2021-2022 which is subject to the September 30, 2021 unit count.

The following ten school districts were included in the performance audit.

|                      |                    |
|----------------------|--------------------|
| <b>Appoquinimink</b> | <b>Lake Forest</b> |
| <b>Brandywine</b>    | <b>Laurel</b>      |
| <b>Cape Henlopen</b> | <b>Milford</b>     |
| <b>Christina</b>     | <b>NCC VoTech</b>  |
| <b>Colonial</b>      | <b>Woodbridge</b>  |

### **Compliance with GAGAS**

We conducted this performance audit in accordance with *Government Auditing Standards* as issued from the Government Accountability Office by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Planning and Risk Assessments**

In order to properly conduct the performance audit, Gunnip obtained an understanding of the objectives based on the following:

- Review of applicable section of the Delaware Code and Delaware Administrative Code.
- Reviewed any prior reports on unit counts or authorized positions and determined their effect on the current performance audit objectives.
- Interviews and discussions with DDOE and school district personnel regarding unit counts and authorized positions.
- Performed risk assessments over unit counts and authorized positions taking into account the size, complexity and resources at each school district.
- Obtained an understanding of the control environment at each school district that impacted the unit counts and authorized positions.
- Had engagement team meetings with both Gunnip and AOA staff to discuss the performance audit risks and testwork.
- Made inquiries with management regarding compliance with laws and regulations, risks, internal controls and fraud and abuse.
- Unit Count/Enrollment student listings from the Unit Count Plus system for both regular and special education students.

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

- School District Unit Count Plus system access based on access listing provided by the State's Unit Count Coordinator.
- Reliance on State DGL and PHRST reports for each school district.
- Reliance of PHRST employee salary amounts for each school district.

### **Methodology, Results and Conclusion - Unit Counts (Enrollment of Pupils)**

**Objective 1 - Determine if the regular and special education Unit Count allotment earned by the ten school districts were properly computed based on the underlying enrollment in accordance 14 Del. C. §1704 (1) and processes promulgated by the DDOE.**

#### **Methodology/Procedures**

- Obtained the Unit Count Report posted on the DDOE's website and agreed the signed Needs Based Listing received by the DDOE for each school district building.
- Based upon the student listing from Unit Count Plus system, reconciled the students to the regular and special education categories on the Unit Count Report posted on the DDOE's website.
- Verified each district had a Unit Count Audit File which contains the State's Unit Coordinator required documents.
- Agreed the student listing from the Unit Count Plus system to the signed Full Student Register (from Unit Count Audit File)
- Agreed a sampling of regular students to supporting attendance records to verify the student was in attendance as of September 30 or if not in attendance on that day whether they were in attendance in the prior ten day period
- Agreed a sampling of special education students to supporting attendance records to verify the student was in attendance as of September 30 or if not in attendance on that day whether they were in attendance in the prior ten day period. In addition, for special education students, ensured an IEP was properly completed and the Assurance Form agreed with the student's special education classification.

#### **Results and Conclusion**

- See Our Observation and Recommendations described above.
- Except for Findings included in Finding 1 above, the school districts unit count allotment was properly computed based on the underlying enrollment.

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

**Objective 2 – Determine if the aforementioned school districts maintained proper IT access controls for the personnel who were provided access to the Unit Count Plus systems.**

### **Methodology/Procedures**

- Obtained a list of all the personnel which have access to the Unit Count Plus system - write and read from the State's Unit Count Coordinator at the Department of Education as of May 2023. Write access allows the employee to actually input enrollment information into the State's Unit Count Plus system, read access just allows the employee read access only.
- Based on the PHRST reports obtained for each school district, determined whether the personnel who had access to the Unit Count system were still current employees. This was done for all employees who were listed as having "write" access and a sample of those with "read" access.
- If there were employees that we longer on the PHRST report, but still had access, obtained an understanding of the district's access controls for the Unit Count Plus system.

#### **a. Results and Conclusion**

1. See Our Observation and Recommendation described above.
2. Except for Findings included in Finding 2 below, the school districts maintained proper IT access controls to the Unit Count Plus system.

### **Methodology, Results and Conclusion - Authorized Positions (Units of Pupils)**

**Objective 1 - Determine if the regular and special education Unit Count allotment earned by the ten school districts were properly computed based on the underlying enrollment in accordance 14 Del. C. §1704 (1) and processes promulgated by the DDOE.**

### **Methodology/Procedures**

- Based upon the student listing from Unit Count Plus system, recalculated the Division I units for the regular and special education categories and reconciled to the Unit Count Report posted on the DDOE's website.
- Based upon the Division I units (units of pupils), recalculated the Position/Authorized Positions for each Position recorded on the Needs Based Position Entitlement Report in accordance with the legislative criteria/allotment.

#### **Results and Conclusion**

- See Our Observation and Recommendation described above.
- One recommendation was noted as Finding 3 above, although the unit count allocation to all the school districts was properly computed.

## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

### **Objective 2 - Determine if the aforementioned school districts did not exceed the number of Authorized Positions units it was allocated.**

#### Methodology/Procedures

- Obtained the State's General Ledger (DGLs) reports and PHRST reports (State's Payroll Registers) for each district and each fiscal year.
- Reconciled the State's DGLs to the PHRST reports (aka the Earns Funding Report by appropriation 0137 (State Personnel Costs) and Account Codes.
- Determined the composition of the reconciling items between the State's DGL and the PHRST report by Document Type to identify any PFAs (Personnel Funding Adjustments). Note, the PHRST reports are at a point in time, while the DGL will include other any other adjustments, such as PFAs, that may change the funding source of an employee's salary.
- Based upon the PHRST reports which were reconciled the State's general ledger, determined the district's employees by appropriation 00137, authorized position account code and, regular pay for each pay period during each fiscal year. Every employee pay allocated to appropriation 00137 is considered an authorized/entitled position. Based on the number of authorized positions for each pay period, determined the average authorized positions for each fiscal year based upon authorized position account codes.
- Based upon the account codes and descriptions, group the account codes into the authorized positions that best match the entitlement reports and compare to the number of positions calculated on the PHRST reports to the entitlement reports for each fiscal year.
- If school district was over its allotted authorized positions, reviewed PHRST reports for employees who may have been double counted because their salaries were split between locations or allocated on a percentage basis.
- After eliminating any duplications or percentages positions, obtained a list of all positions cashed-in from the DDOE.
- Updated the school districts over or under authorized position status and then based on the remaining number of over or under authorized positions divided by the amount of PFAs that were recoded to or from the State appropriation to assess whether the amounts of recodes was reasonable based on a particular categories state salary range.
- Determined whether the school exceeded the authorized positions for each fiscal year.

#### Results and Conclusion

- See Our Observation and Recommendation described above.
- One recommendation was noted as Finding 4 above, although none the school districts reviewed exceeded the number of Authorized Positions it was allocated.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**Objective 3 - Review the aforementioned school districts' internal controls over their management of the allocated authorized positions on an ongoing basis.**

Methodology/Procedures

- Discussed how each school district manages its authorized positions on an ongoing basis.
- Obtained evidence of the processes and any internal controls on the school districts authorized positions management.

Results and Conclusion

- See Our Observation and Recommendation described above.
- Except for Findings 5A and 5B above, the school districts have been managing their authorized positions.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

**Appendix III**

**Overview**

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

### **Authority and Contracted Performance Audit**

In accordance with 14 Del. C. §1504, the Office of Auditor of Accounts (AOA) is directed to examine the number of authorized positions versus the number of actual positions a district has employed as part of the regular, annual audit review for all public-school districts that commence on or after July 1, 1991.

AOA contracted Gunnip to perform a performance audit to address the following objectives related to the review of unit counts (enrollment of pupils), authorized positions (units of pupils) and, in turn, the corresponding State funding provided to the SDs for fiscal years 2023 and 2022.

Note, AOA contracted Gunnip to do a separate performance audit to test the unit counts at the charter schools for fiscal years 2023 and 2022.

### **Performance Audits**

Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.

Performance audit objectives vary widely and include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and prospective analyses. Audit objectives may also pertain to the current status or condition of a program. These overall objectives are not mutually exclusive.

### **Prior Relevant Reports**

Based on Gunnip’s review of AOA’s website and archived reports, we noted the following reports were issued that were relevant to some of this performance audit objectives and considered them as we did our planning and assessment for this performance audit.

On September 6, 2016, AOA issued a State eSchoolPlus and Unit Count Inspection report whose 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. The inspection concentrated on analyzing the processes that can result in the incorrect funding based on ineligible student enrollment. A summary of the results of that report is as follows.

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.

The report summary entitled “What We Found” was as follows:

1. Some districts and charter schools failed to develop individualized policies and procedures governing Unit Count.
2. Identified 9 students who should not have been included in the Unit Count.



## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

3. 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.
4. Identified 28 disallowances as a result of our review of Early Admissions to Kindergarten.
5. Found that there is no uniform process for tracking the allocation of earned units, which impeded AOA's ability to complete review procedures.
6. DDOE 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.
7. Found weaknesses in the IT controls surrounding Unit Count PLUS that DOE should address to ensure proper segregation of duties and continuity of operations.

From June 1, 2022 to October 3, 2022, AOA issued Authorized Positions Examination reports for all nineteen school districts for the period November 1, 2018 to June 30, 2019.

Those examinations determined that each school district complied, in all material respects, with the criteria set forth in *Delaware Code, Delaware Law (formerly, 149<sup>th</sup> General Assembly, SDB235)*, and the *State of Delaware Budget and Accounting Policy Manual (BAM)* during the period November 1, 2018 to June 30, 2019.

No findings or issues were identified for any of the State's school districts.

### **State Funding of School Districts and Main Components (Unit Counts, Authorized Positions and Funding)**

#### ***Unit Counts (Enrollment of Pupils)***

Delaware school districts and charter schools receive State funding based on a calculation by DDOE using the September 30<sup>th</sup> Unit Count. Pursuant to 14 Del. C. §1704(1), the number of units 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 September<sup>3</sup> and considers various factors such as grade level and, if applicable, the special education needs of the child. According to *DDOE'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."

## State of Delaware School Districts

### Unit Counts and Authorized Positions Performance Audits

All districts and charter schools complete the September 30<sup>th</sup> enrollment and unit computation reporting requirements through a link between eSchoolPLUS, 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.
- *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) for students with special education needs, which streamlines the Federal and State special education reporting process.

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. 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 formula is coded correctly in the system, this process will help ensure the mathematical accuracy of the Unit Count calculation. 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 Coordinator 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 in November.

## **State of Delaware School Districts**

### **Unit Counts and Authorized Positions Performance Audits**

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.

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 30<sup>th</sup> Unit Count for state funding purposes.

#### ***Authorized Positions (Unit of Pupils)***

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 the number of teachers, administrators and other instructional and support staff earned. (See Delaware Code Position Entitlements in below) 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.

**State of Delaware School Districts  
Unit Counts and Authorized Positions Performance Audits**

| <b>Delaware Code Position Entitlements</b>  |   |
|---|---|
| <b>Position</b>   | <b>Allotment</b>  |
| Classroom Teacher   |   |
| 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  |
| 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   |
| Food Services Supervisor  | 1 if less than 500 units with 4 or more buildings with school lunch programs; 1 if having 500 units |
| Transportation Supervisor   | 1 for every 7,000 or more transported students (based on total enrollment)                          |
| Reading Cadre Position  | 1 per school district (not charters)  |

## State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits

### Funding of Authorized Positions Earned

As noted earlier, there are three primary state funding types received by the school districts as a result of the units earned through the September 30<sup>th</sup> Unit Count: Division I (Salaries and Benefits), Division II (All-Other Costs and Energy), and Division III (Equalization).

### *Funding for Division I (Salaries and Benefits)*

Again, Division I funding pays the majority of the salaries of school employees based on earned authorized positions which, in turn, is based on the unit counts (enrollment).

Once the district has decided which individual employee to assign to an authorized position, the State pays approximately 70% of total salary costs and benefits for school employees in accordance with the State Salary Schedule outlined in 14 Del.C. Chapter 13. The remaining salary is primarily paid from local funds or possibly federal funds. The State Salary amounts are determined by multiplying a base salary amount by the index value that corresponds with the appropriate training, education and experience in the State Salary Schedule. Districts may have similar schedules for the local fund portion.

Ultimately, the authorized position being funded by the State is based on the school district's allocation/assignment of that employee and corresponding salary to the State's funding appropriation. The State is funding an authorized position, and that one position will represent a different funding amount from the State based on the training, education and experience for that employee's authorized position. For example, one teacher's authorized position could amount to either \$30,769 for a first-year teacher with a Bachelor's Degree or \$55,696 based upon a 20 year teacher with the a Doctorate. Similar ranges exist within other authorized positions.

In addition, partial unit funding is provided for partly filled units based on a cash-in value. The cash-in value of the partial unit is tied to the teacher state salary schedule at the master's level plus 10 years of experience. The school district could also use unfulfilled authorized positions and apply them toward the district's alternative reduction plan.

Since the Unit Count is not finalized until after the school year begins, DDOE 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. DDOE 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 DDOE.

**No state funds from Division I may be appropriated to any school district to provide salaries for more teachers than shall actually be employed in such school district, and no part of any amount appropriated to any district may be transferred from a subdivision of Division I to any other such subdivision of Division I or to Division II or from Division II to any subdivision of Division I.**

## **State of Delaware School Districts Unit Counts and Authorized Positions Performance Audits**

### **Other DDOE Related Information**

#### ***DDOE Staffing***

The State 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 includes some of the following.

- April 1<sup>st</sup> Charter Enrollment
- Estimated Unit Count,
- May 1<sup>st</sup> Charter Enrollment and Unit Allotment
- September 30th Unit Count
- Unit Count Training
- Statewide School Choice Coordinator

#### ***Unit Count Training***

Unit Count Training is provided by DDOE 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 DDOE website after the training. Unit Count Training is highly encouraged but is not mandatory.

#### ***DDOE Special Education Monitoring***

DDOE 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. DDOE 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 the current year will be compared to the number reported in the prior year. If 5% more or less units in a category are reported between the years, the DDOE shall:

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

DDOE currently conducts on-site compliance monitoring of each district and charter school on a five-year rotating cycle. If DDOE receives any information indicating the erroneous reporting of special education units, DDOE may conduct a verification process, and/or refer the matter to the State Auditor and other agencies as required by law.