



# Criminal Background Check Performance Audit



**Appoquinimink School District**

Kathleen K. McGuinness, RPh, CFE  
Delaware State Auditor



**KATHLEEN  
McGUINNESS  
DELAWARE  
STATE AUDITOR**

## ***Appoquinimink School District Criminal Background Checks***

***Performance Audit  
For 2014 thru 2019***

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**What Was Performed?** A performance audit of the Appoquinimink School District's compliance with conducting criminal background checks for covered employees, contractors, volunteers and student teachers for calendar years January 1, 2014, through December 31, 2019.

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**Why This Engagement?** This engagement was conducted in accordance with 29 *Del. C.* § 2906 and evaluated the district's compliance with state laws and regulations regarding criminal background checks required for all district employees, contractors, volunteers and student teachers.

Our performance audit had two objectives:

- (1) Determine if the district complied with state laws and regulations for criminal background checks on all required employees, contractors, volunteers and student teachers, and
- (2) Assess the district's internal controls and determine if the controls have been properly employed to reduce the risk of harm to district students.

This report is intended to assist district management with recommendations to improve procedures, processes and internal controls as necessary.

**What Was Found?** We found the district could strengthen its internal controls in several ways, including by improving documentation to ensure the following:

- (1) employees, contractors, volunteers and student teachers are cleared, certified and suitable for their positions in accordance with state laws and regulations, and
- (2) employee, contractor, volunteer and student teacher files contain the requisite documentation to provide evidence of the district's compliance with relevant state laws, regulations and policies.

The report contains several recommendations for improvement, which we encourage district management to consider implementing. These recommendations were developed based on evaluation of audit evidence obtained for not only this school district but also all districts across the state, and they are designed to help keep schoolchildren safer by improving internal controls related to certifying the criminal background check processes.

The Appoquinimink School District Criminal Background Checks Performance Audit for 2014 through 2019 can be found on our website: [click here](#).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at [Kathleen.Mcguinness@delaware.gov](mailto:Kathleen.Mcguinness@delaware.gov).

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**State of Delaware**  
**Office of Auditor of Accounts**  
**Kathleen K. McGuinness, RPh, CFE**  
**State Auditor**

To the Appoquinimink School District:

The attached report provides the results of our performance audit on compliance with criminal background checks for the Appoquinimink School District, including employees, volunteers, contractors, and student teachers, in accordance with the criteria set forth in the Delaware Code. The scope of this audit was January 1, 2014, through December 31, 2019.

My office is authorized, under 29 Del. C., Ch. 29, §2906 to perform postaudits of all state agencies. The district's management is responsible for criminal background checks, internal controls, and compliance with applicable Delaware Code.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards issued 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.

This report can be accessed online through the State Auditor's website at <http://auditor.delaware.gov>.

Sincerely,

A handwritten signature in blue ink that reads "Kathy McGuinness".

Kathleen K. McGuinness, RPh, CFE  
State Auditor

November 16, 2021

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**Abbreviations:**

<b>CBC</b>	Criminal Background Check
<b>DELJIS</b>	Delaware Criminal Justice Information System
<b>DHR</b>	Department of Human Resources
<b>DELDOT</b>	Delaware Department of Transportation
<b>DOE</b>	Department of Education
<b>DSCYF</b>	Department of Services for Children, Youth and Their Families
<b>FBI</b>	Federal Bureau of Investigation
<b>FSF</b>	First State Financials
<b>OAOA</b>	Office of Auditor of Accounts
<b>PHRST</b>	Payroll Human Resources Statewide Technology
<b>SBI</b>	State Bureau of Identification
<b>SD</b>	School District

***The mission of the Delaware Office of Auditor of Accounts***

The Delaware State Auditor serves Delawareans by providing independent objective oversight of the state government’s use of taxpayer dollars with the goal of deterring fraud, waste, and abuse through unbiased assessments, including the use of various audits, special reports, and investigations of financial operations designed to ensure statutory compliance while enhancing governmental economy, efficiency, and effectiveness.

For further information on this release please contact:

**Kathleen K. McGuiness, RPh, CFE**  
kathleen.mcguiness@delaware.gov

## ***Audit Authority***

OAOA is authorized, under 29 Del. C., Ch. 29, §2906 to perform postaudits of all state agencies. Therefore, OAOA is authorized to conduct post-audits for the Department of Education and its school districts including financial expenses, internal controls, and compliance associated with obtaining and reviewing criminal background checks for employment purposes.

## ***Background***

### **Overview**

Criminal Background Checks (CBCs) and reference checks are an employer's principal means of securing information about potential hires from sources other than applicants themselves. A CBC involves determining whether an applicant may be unqualified for a position due to a record of criminal conviction or other misrepresentation. The top reasons to conduct CBCs include mandates by law/regulations, to protect children from harm, to improve the quality of hires, and to protect the employer's reputation. Public schools must follow certain protocols in obtaining CBCs in the hiring process. The protocols incorporate legal issues and protections due to the State's commitment to nondiscriminatory employment practices.

### **Laws and Regulations**

The State of Delaware and the Delaware Department of Education have addressed laws and regulations that require fingerprinted CBCs for prospective employees, contractors, volunteers and student teachers during the employment (hiring) process to help ensure the safety of children.

Title 31 §309 of the Delaware Code governs the requirement for CBCs for child-serving entities such as public schools and employees of the Department of Education. Title 31 §309 also addresses criminal activity preventing employment in child-serving entities, including felony convictions involving physical or sexual assault crimes, other violent felonies, misdemeanor convictions against children, and the prohibition requirements.

Delaware Title 14 of the Delaware Administrative Code §745 Public School Related Employment and §746 Student Teacher Placement detail CBC regulations, including purpose, definitions, procedures, and length of a valid CBC, as well as exemptions for continuous employment, appeals, confidentiality, penalties, and subsequent criminal history. Delaware law prevents individuals who have been convicted of crimes related to children -- including child abuse (sexual and otherwise), neglect, kidnapping, and other violent crimes -- from working in a Delaware school district.

### **Appoquinimink School District Board of Education and Management**

The main goal of public schools is to provide students with a challenging and safe learning environment. Meeting this goal requires the public school to hire qualified staff who ensure the safety and protection of the children. The Appoquinimink School District has a Board of Education that acts as the governing body of the school district, with oversight of educational affairs such as employment practices, compliance with laws and regulations, and approval of policies. The board consists of five elected officials who each serve five-year terms and meet monthly. The board approves the school district's new full time hires and any part time hires such as coaches. District management is responsible for establishing and maintaining an effective internal control structure.

**Appoquinimink School District Characteristics (Quick Facts)**

Appoquinimink School District, located in New Castle County, operates K-12<sup>th</sup> grade schools with 11,914 students and in 20 buildings/schools as of FY2021. Appoquinimink School District employs 1,801 employees to educate and support its students, as of FY2021. Other groups supporting the school district include student teachers, volunteers, and contractors. The employees responsible for the CBC process in the school district are the Human Resource Director and the Human Resource Specialist.

**Appoquinimink School District Criminal Background Check Practices**

As part of the application for public-school-related employment, the contract for services, or the volunteer agreement, candidates sign a Release for Criminal Background Check Information form approved by the Department of Education. Before beginning work, all prospective employees, student teachers, volunteers, and contractors are required to obtain a fingerprinted CBC completed by the Delaware State Police State Bureau of Identification (SBI) and the Federal Bureau of Investigation (FBI). A public school may place a candidate in a position provisionally in accordance with Delaware Code; however, the candidate must comply with the provisions defined in the regulation. Final candidates for employment, or those who enter into a contract for services, may have a CBC from other states accepted if certain conditions defined in the regulation are met. The SBI CBC report shows any criminal activity that occurred in Delaware, and the FBI report shows any criminal activity nationwide. If there is prohibited criminal activity history, the employment offer may be rescinded prior to employment, or employment may be terminated.

SBI provides the state with a central repository for the collection and accurate organization of criminal arrest records, crime report(s), and missing persons reports for Delawareans using the DELJIS system. The Delaware State Police front desk operations provide fingerprinting services for individuals requiring a criminal background history check for employment. The potential employee is required to provide photo identification, such as a valid driver's license or state ID (from any state) but is not required to provide a Social Security number or birth certificate. The Delaware SBI Criminal History Section is responsible for the research and the completion of the criminal history background checks, which are titled "State of Delaware Certification of Criminal Background Check." The Delaware SBI Criminal History Section also electronically submits a request for a federal CBC to the FBI, which provides the "FBI Criminal Background Check Civil Applicant Response."

SBI mails the CBCs directly to the designee that the school district has appointed to receive the hard copy of the CBC documentation. The SBI and FBI CBCs are submitted to the school district Human Resources department for review. The school district reviews the CBCs for any prohibitions (offenses) that may endanger its students and makes the required determination of suitability for employment based on the laws and regulations and any other criteria the public school may establish. The Human Resource Specialist reviews the CBC first, then it goes to the Human Resource Director for final review. If the CBC is "clean," it is locked in a fireproof filing cabinet, separate from regular personnel files, and only Human Resource Specialist and Human Resource Director have access to the secured files. If an individual is not suitable, additional paperwork would be required.

If the applicant is a student teacher, SBI mails the CBCs directly to the applicant's higher education institution, and the institution's Human Resources/Administrator of Educator Preparation Program makes the initial determination for suitability for placement in the school district. When determining suitability, the district looks for individuals that are not suitable for hire and then marks the CBC document accordingly. A check mark on the CBC determines if the individual is suitable.

The school district is responsible for confidentiality, proper security precautions (including locked, fireproof cabinets), and record retention of the CBCs as part of the Human Resources employee personnel file. The Appoquinimink School District uses the CBC complete date field in the Payroll Human Resources Statewide Technology (PHRST) system. The school district also keeps an Excel document that tracks the receipt date, and then changes the receipt date to the date of CBC when it is received.

The CBC is valid for twelve (12) months; however, if the employee becomes continuously employed by a Delaware public school, the background check is required to be kept on file for a minimum of five (5) years by the Delaware public school. Each person who has been continuously employed in a Delaware public school is exempt from obtaining a new CBC. Higher education institutions dispose of the student teacher CBC no earlier than six (6) months after students graduate from the entity.

The State of Delaware and Delaware Department of Education do not require that periodic CBC reports be obtained throughout employment/service with the school district. However, the DELJIS system has an automated process to notify the school district/DOE regarding persons who have new activity on their criminal record after they passed the CBC process. The automated process helps ensure that persons serving vulnerable populations, such as children in schools, remain fit to serve.

### *Audit Objectives*

In accordance with the provisions of the Delaware Code and Generally Accepted Government Auditing Standards, we have conducted a performance audit of certain aspects of the CBC process to confirm the district has effectively used resources to ensure the safety of district children. The audit focused on the function of the Appoquinimink School District, the SBI, and the FBI. The Appoquinimink School District is the entity primarily responsible for management of the CBC process for its employees, student teachers, volunteers, and contractors. SBI serves as the state’s repository for CBC information. The FBI is the national repository for CBC information.

The objectives established for the performance audit include:

- Determine if the school district is compliant with performing CBCs on covered personnel (Employees, Volunteers, Contractors, Student Teachers) and updating the background checks with subsequent criminal history as required under Delaware Administrative Code [14 Del. Admin C. §745 and §746]. This also includes the completion of the final determination of suitability for the Public School.

- Assess the school district’s internal control structure to determine if it is designed to provide reasonable assurance for CBC objectives and make recommendations, as considered necessary. For example, this includes determining if the Board Policy and school district procedures to implement laws and regulations are clear, complete, and actionable.

### *Audit Scope*

The scope of the engagement covered personnel data during the period January 1, 2014, through December 31, 2019.

### *Audit Methodology*

The audit relied on various sources and methods to obtain an understanding of and assess Delaware's CBC process for the Appoquinimink School District. As such, we did the following:

- A. reviewed the applicable sections of Delaware Code and the Delaware Administrative Code to learn about the legal requirements pertaining to CBCs.
- B. examined the adequacy of the 1) current regulatory requirements related to current covered personnel; 2) types of background checks; and 3) types of criminal convictions that preclude applicants from employment.
- C. conducted interviews and discussion with school district personnel to ascertain and document background check processes, practices, internal controls, limitations, and performance.
- D. reviewed the Appoquinimink School District Board policy to determine the existence and adequacy of the policy on CBC information and requirements.
- E. reviewed information recorded in PHRST for employees, including but not limited to information such as the hire/start date and history of employment.
- F. conducted testing of covered personnel to verify compliance including employees, volunteers, student teachers, and contractors using sampling techniques to support our audit work. Testing included the following:
  - a. examining and scrutinizing SBI and FBI CBCs for the following:
    - i. existence: obtaining CBCs to confirm complete and compliant fingerprinted CBC from the Delaware SBI CBC and FBI CBC was received.
    - ii. fraud indicators: reviewing for any fraud indicators, including matching to actual sampled person and inquiry/verification of any name changes.
    - iii. timeliness: requesting CBC prior to hire to confirm the timeliness of receipt of CBC documentation by the school district.
    - iv. record retention: retaining CBC to confirm adequate record retention of the SBI and FBI CBC information; and
    - v. suitability determination: to determine that evidence of suitability form or other alternative documentation was completed to document the approval of the applicant for hire by the school district.
  - b. examining the SBI and FBI CBCs in detail when criminal activity was reported and comparing the criminal activity to what was prohibited under Delaware Code, to ensure disqualified candidates have not been hired by the school district.

***Audit Results***

The OAOA noted internal control and compliance deficiencies related to the following:

- The school district was not fully compliant with all the requirements of the CBC State laws and regulations and did not have adequate processes and internal controls to address CBCs.
- The school district has incomplete policies and lacks written procedures on CBCs.

Refer to the Findings in the *Schedule of Findings, Recommendations and Responses* for details of the deficiencies identified and related recommendations.

***Schedule of Findings, Recommendations and Responses***

**Finding Number:** 2019.01

**Finding Name:** Criminal Background Checks

**Condition/Context**

Although the school district had established processes and internal controls for CBCs, they were not fully compliant with all the requirements of the CBC State laws and regulations. Further, they did not always have adequate processes and internal controls to address areas which were vague or not fully defined.

- **Suitability Determination Key Control Evidence Documentation:** From a random sampling of 52 individuals, 46 did not have documented evidence of the completion of the determination of suitability, indicating a key internal control weakness and only partial compliance with Delaware Code and Delaware Administrative Code. There were also 13 student teachers that were excluded from testing due to the higher education institution destroying the records based on record retention policies.

Person Type	Number Sampled	Suitability Documentation or Other	Exceptions
Employees	39	3 Adequate Documentation	36 Inadequate Documentation
Volunteers	10	3 Adequate Documentation	7 Inadequate Documentation
Contractors	3		3 Inadequate Document
Total	52	6	46

Explicitly:

- The requirement states “The Public School, in accordance with 31 Del. C. §309(e), shall make a determination of suitability as an Employee, Contractor or Volunteer on each person it requested to initiate the CBC process.” Although required, the suitability determination is not consistently documented by the school district on the CBC or in another manner.
- **CBC Record Retention/Existence:** Two contractors and one employee did not have documented evidence that a compliant CBC, consisting of the fingerprint DE SBI and FBI screenings, had been completed. For the one employee, the DE SBI CBC record was not provided. For the two contractors, the contracted vendor refused to provide the CBC records.
- **Real-Time Start and End Date Tracking:** OAOA was unable to determine the timeliness of the receipt of the CBCs it sampled and tested, including 2 contractors due to the lack of real-time tracking of the individuals’ start and end dates. Without an established, documented real-time tracking process, there is no assurance that the appropriate persons have the required CBCs.
- **Contractor Oversight and Non-Compliance:** There is no written requirement at either the State or district level (either in the Delaware Code or as part of school district internal controls) for oversight of outside contractors. The school district does not monitor contractors to ensure they are conducting compliant background checks. Therefore, non-compliance was only discovered when CBC records were requested as part of this audit. The school district relies solely on

contractors to obtain a compliant CBC for their employees; The school district had an outside contractor in our sample who refused to provide the CBC records for the two sampled persons, indicating disclosure was not in the contract.

**Criteria**

- Title 31 §309 of the Delaware Code
- Title 14 Delaware Administrative Code, Section 745 & 746
- Budget and Accounting Manual Chapter 2 – Internal Controls
- Standards for Internal Control in the Federal Government (Green Book), U.S. Government Accountability Office September 2014.

**Causes**

- Where the Delaware Code and Delaware Administrative Code are silent regarding certain aspects of the CBC requirements, standardized policies, procedures, and processes were not developed by the school district.
- The school district did not employ adequate information system software to track and manage CBCs for employees, volunteers, student teachers, and contractors.
- The school district did not consistently follow processes and demonstrate adequate due diligence to ensure that compliant CBCs were requested, received, processed/reviewed, documented, and filed, indicating some weaknesses in internal controls.
- Supervisory reviews failed to detect the compliance exceptions and there was a lack of management review and oversight controls to meet the intent of state laws and regulations on CBCs.
- The school district functions as an independent entity, and DOE is not responsible for coordinated oversight. This may have caused or contributed to different approaches, used across school districts, for managing the CBC processes. and inconsistency with the implementation of state laws and regulations across all school districts.

**Effect**

The school district was not in full compliance with state law and regulations for CBCs. The inability to verify all CBCs risks exposing children to potential harms from which they should be protected. Additional risks include the legal risk that results from potentially employing an unscreened individual in the school district (a negligent hiring claim), and reputation risk for the Appoquinimink School District and the Department of Education as a whole.

**Recommendation**

We recommend the Human Resources Director take the following actions to help strengthen internal controls and compliance:

- Work with other school districts and the Department of Education to determine the feasibility of implementing one information system that school districts can use to fully track and manage background check data and employment/service status for all persons employed as follows:
  - Explore the use of the PHRST system to track all persons (employees, contractors, volunteers, and student teachers) requiring CBCs as a cost beneficial solution and.
    - determine if a person (other than a state employee) who requires a CBC, can be setup in PHRST as a non-payroll individual.
    - follow up with monthly automated reports from the PHRST system for the school district to track the status of CBCs.
    - determine if alternative systems exist which could be used for managing CBCs. For example, there are volunteer management systems which could assist with managing volunteers.

- Consider migrating from the current spreadsheet approach, used as a tracking mechanism, to an automated database solution with reporting functionality for tracking employees, contractors, volunteers, and student teachers.
- Review and update the design of internal controls to achieve compliance objectives, relating to CBCs. This should include the consideration of the use of information systems to help with tracking and monitoring CBCs and the documentation of internal controls over CBCs. Note: The general practice in reviewing and testing internal controls is that if it is not documented, it did not occur.
  - Develop a working risk and control matrix to document the school district's updated control process on CBCs. Use the matrix to review and monitor the design and operational effectiveness of controls on an ongoing basis and adjust the internal control design as needed as the environment changes.
  - Develop a monitoring process to ensure CBCs are being obtained and reviewed, and that suitability determinations are being documented, following proper record retention and security policies.
  - Communicate to DOE any areas of the regulations which should be updated, clarified, or changed. Where the Delaware Code or Delaware Administrative Code lack definitive guidance on a situational basis, the school district should request that DOE provide guidance by a written policy update that complies with the principles of the law to assist with the formation of district procedures.
- Address the compliance finding in this report as follows:
  - Take action to maintain a complete and accurate list/report of all persons who require an SBI/FBI fingerprinted CBC going forward.
  - Review and address the compliance exceptions noted by OAOA and take actions as deemed appropriate to meet the requirements in the state law and regulation. This should include at a minimum, addressing any missing CBC records and reviewing the requirements for managing suitability determinations.
  - Consider whether other persons not sampled by OAOA should be reviewed for complete and compliant criminal background records.
  - Evaluate whether the school district should audit its contractors' compliance with the DE SBI/FBI fingerprinted CBC requirements for all its employees who work in the school district or if vendor oversight of these contractors should occur.

**Finding Number:** 2019.02

**Finding Name:** Policy and Procedures

### **Condition/Context**

The school district has incomplete policies and no written procedures on CBCs. The district board policy lacks details and contains limited policy elements. The school district policy makes no mention of the SBI/FBI background check requirement for volunteers and contractors or section 746 for student teachers. The district policy also did not have supporting procedures, which resulted in the misunderstanding of certain aspects of the CBC process.

The board policy covering CBCs, reads as follows:

- “All employees shall have a Criminal Background Check, TB test result, and Physician’s Certification on file as required by state law. In addition, all employees are required to report any criminal investigation concerning them or a conviction of a crime which would be related to the effective performance of their job responsibilities during their period of employment. This report shall be made to the Director of Human Resources who will meet with each employee to discuss the investigation and/or conviction. **Amended 2/12/19**”

### **Criteria**

- **Control Environment - A Vital Part of Internal Controls:** The oversight body should oversee the entity’s internal controls system, including the design, implementation, and operation of an internal controls system.
- **Internal Controls Guidance:** Internal controls – actions taken by the board to mitigate oncoming and anticipated risks – must be commensurate with risks mitigated. Management objectives include the effectiveness and efficiency of operations; reliability of reporting for external or internal use; and compliance with applicable laws and regulations. Specifically, control activities are the policies and procedures that mitigate risks that hinder the completion of objectives. Control activities are an integral part of an entity’s planning, implementation, and achievement of effective results, as well as its stewardship of government resources.
- **Internal Controls Documentation:** Documentation is required for the effective design, implementation, and operational effectiveness of an entity’s internal control system.

### **Causes**

- The school district is responsible for establishing strong internal controls over the CBC process, using guidance such as the “Standards for Internal Control in the Federal Government” (Green Book / COSO) as defined in the State of Delaware’s Budget and Accounting Manual (BAM). However, the school district has not designed internal controls to include comprehensive written policies and procedures addressing the CBCs, nor has it conducted a review of the current internal controls design and operational effectiveness.
- There is a lack of detailed direction within the Delaware Code on how the CBC process should be conducted. This lack of direction makes it difficult to fully develop comprehensive policy and procedures. DOE has not provided specific guidance to school boards with respect to governance and internal controls. Guidance from the DOE could be helpful in providing detailed direction where the Delaware Code is silent or insufficient.

### **Effect**

The school district has not designed internal controls based on Green Book guidance to fully meet the objectives of CBC state law and regulation. Because the regulations are vague and open to interpretation, we are unable to verify if the district’s background check process satisfies Delaware law and the

Delaware Department of Education's regulations as intended. This increases the risk of abuse to the children who are students of the district

**Recommendation**

We recommend the Appoquinimink School District Board of Education take the following actions to improve governance:

- Update and expand the board policy to add elements specific to the CBCs and internal control responsibilities.
- Schedule an annual review of board policies.

We recommend the Appoquinimink School District Human Resources Director take the following actions to improve internal controls and consider collaborating with other school districts with similar issues as part of a taskforce to leverage resources within the 19 school districts to address these issues:

- Develop and document clear, consistent, and detailed procedures for the CBC process for employees, student teachers, volunteers, and contractors. Policies and procedures should be reviewed and updated periodically or as needed. In addition, the district should develop and use a standardized form for documenting suitability determination and compliance.

Management Response



Appoquinimink School District

THE WORLD IS OUR CAMPUS

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313 South Fifth Street, PO Box 4010, Odessa, DE 19730-4010 | 302.376.4128

January 31, 2022

Kathleen K. McGuiness, RPh, CFE
Delaware State Auditor
Office of the Auditor of Accounts
Townsend Building
401 Federal Street
Dover, DE 19901

Dear Auditor McGuiness:

Below, please find the Management Response to the Criminal Background Check Performance Audit for the Appoquinimink School District.

Finding Number: 2019.01
Finding name: Criminal Background Checks

Audit Assertion

- 13 Student Teachers – 13 CBC records were purged
3 Contractors – 1 had no documentation of suitability; 2 contractors refused to provide CBC records.

Management Response

- CBC records of student teachers were not purged. Rather they were held by the college/university.
2 contractors did not refuse to provide CBC records. Rather, CBCs were not on file for those 2 contractors.

Audit Assertion

- The school district did not employ adequate information system software to track and manage CBCs for employees, volunteers, student teachers, and contractors. The school district did not consistently follow processes and demonstrate adequate due diligence to ensure that compliant CBCs were requested, received, processed/reviewed, documented, and filed, indicating some weaknesses in internal controls.
Supervisory reviews failed to detect the compliance exceptions and there was a lack of management review and oversight controls to meet the intent of state laws and regulations on CBCs.

Management Response

- The school district disputes these broad assertions of its CBC processes and compliance. The School district does indeed consistently follow processes to ensure compliance with DE Code and Regulations on CBC matters. While improvements can and will be made based on recommendations contained in this report, the District wholeheartedly disagrees with the broad assertions stated above.
This school district welcomes collaboration with the other school districts in the state as well as the Department of Education to streamline and clarify processes and compliance expectations.

Matt Burrows, Ed.D.
Superintendent

BOARD

Norman Abrams
Richard Forster, Esq.
Shawn Rohe
Michelle Wall
Kelly Wright

ADMINISTRATION

Tony J. Marchio Building
Marion E. Proffitt Training Center

PRESCHOOL

Age 3-4
Appoquinimink Preschool Center
Brick Mill ECC

ELEMENTARY

Early Childhood Centers /
Kindergarten

Cedar Lane ECC
Spring Meadow ECC
Townsend ECC

Grade 1-5 Schools

Brick Mill Elementary
Bunker Hill Elementary
Cedar Lane Elementary
Lorewood Grove Elementary
Old State Elementary
Olive B. Loss Elementary
Silver Lake Elementary
Townsend Elementary

SECONDARY

Grade 6-8 Schools
Alfred G. Waters Middle
Cantwell's Bridge Middle
Everett Meredith Middle
Louis L. Redding Middle

Grade 9-12 Schools
Appoquinimink High
Middletown High
Odessa High

ADULT CONTINUING EDUCATION

James H. Groves High



Appoquinimink School District

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Finding Number: 2019.02
Finding Name: Policy and Procedures

Audit Assertion

- The school district has incomplete policies and no written procedures on CBCs.
The district policy also did not have supporting procedures, which resulted in the misunderstanding of certain aspects of the CBC process.

Management Response

- The District does indeed have written procedures on CBCs. Procedures are internal documents and not attached to the publicly viewable policies.

Audit Assertion

- However, the school district has not designed internal controls to include comprehensive written policies and procedures addressing the CBCs, nor has it conducted a review of the current internal controls design and operational effectiveness.

Management Response

- The school district disputes this broad assertion of its internal controls. The school district does indeed have written policies and procedures and periodically reviews them for effectiveness. While improvements can and will be made based on recommendations contained in this report, the District wholeheartedly disagrees with the broad assertion stated above.
This school district welcomes collaboration with the other school districts in the state as well as the Department of Education to streamline and clarify processes and compliance expectations.

Please feel free to contact me with any questions or if there is any additional information we can provide. I can be reached at (302) 376-4127 or Stanley.spoor@appo.k12.de.us

Sincerely,

Stanley Spoor

Stanley Spoor, Ed.D.
Human Resources Director
Appoquinimink School District

Matt Burrows, Ed.D.
Superintendent

BOARD

Norman Abrams
Richard Forster, Esq.
Shawn Rohe
Michelle Wall
Kelly Wright

ADMINISTRATION

Tony J. Marchio Building
Marion E. Proffitt Training Center

PRESCHOOL

Age 3-4

Appoquinimink Preschool Center
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ELEMENTARY

Early Childhood Centers /
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Cedar Lane ECC
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Grade 1-5 Schools

Brick Mill Elementary
Bunker Hill Elementary
Cedar Lane Elementary
Lorewood Grove Elementary
Old State Elementary
Olive B. Loss Elementary
Silver Lake Elementary
Townsend Elementary

SECONDARY

Grade 6-8 Schools

Alfred G. Waters Middle
Cantwell's Bridge Middle
Everett Meredith Middle
Louis L. Redding Middle

Grade 9-12 Schools

Appoquinimink High
Middletown High
Odessa High

ADULT CONTINUING EDUCATION

James H. Groves High

**Auditor Response**

OAOA thanks the school district for its ongoing cooperation and the thoughtful response to the performance audit. OAOA has considered each issue presented in management's response and has made corrections to the final report where appropriate.

This office acknowledges that conducting a fully remote audit has its challenges. Auditors all over the world are conducting work remotely, and audit professional organizations have provided guidance in this specific area to ensure compliance with all professional standards. OAOA also partnered with a certified public accounting firm throughout the entire audit. The State also provided technology – Zoom, Teams, etc. – to allow for communications and exchange of information electronically. The pandemic extended the timeframe of this audit, as it has extended other state business activities.

OAOA's objectives were limited to assessing the school district's compliance with the Delaware Code, as well as evaluation of the control environment surrounding the Criminal Background Check (CBC) process. Our objectives did not include an audit of the entire hiring process or focus on finding any individuals who should have been disqualified. Adequate internal controls and written policies and procedures should ensure compliance and reduce the avenues through which an unacceptable hire might occur. Since 2015, the state adopted and follows the *Standards for Internal Control in the Federal Government* (the Green Book), which is used across the United States to ensure strong internal control processes. OAOA used the Green Book as the criteria to evaluate the district's internal controls.

This audit is based on samples taken from the populations of persons requiring CBCs in the school district. The employee population was extracted through the State of Delaware's Payroll Human Resource Statewide Technology system and sampled. The populations of contractors, volunteers, and student teachers were provided by the school district and sampled by the Auditors from the populations provided by the district. The population of contractors, volunteers, and student teachers provided by the district have no single source system from which to extract them. The Auditors requested the documentary evidence relating to the CBCs for the samples, during the audit fieldwork and gave the district ample time to provide all pertinent information to the auditors. The OAOA then conducted an exit meeting, where all potential findings were identified and discussed with district management. The school district was then given additional ample time to provide further information. Auditors evaluated all documents and claims provided by the district, including claims of purged records, to finalize the report.

Although each district is subject to the same Delaware Code, each approached compliance using different methods, processes, internal controls and documentation. Further, the Delaware Code does not address every unique aspect of the CBC process or circumstance that may occur. For the key internal control – which is the suitability determination – districts employed different policies, procedures and internal controls. We considered each district's approach and the evidence obtained across the 20 entities and found weaknesses in the internal control design and/or operational effectiveness, which puts students and others at risk of harm.

Compliance for contractors hired by the districts is an area that poses potentially serious risks. Because the school districts function as quasi-independent entities, but still under control of the state, and because the DOE is not responsible for coordinated oversight, some districts place the responsibility for ensuring a compliant CBC on contractors without employing additional risk mitigation measures for the district's students. The Delaware Code requires districts to mitigate risk by completing suitability determinations on contractors following the completion of a compliant fingerprint SBI and FBI screening. A signed and approved suitability determination establishes the ultimate responsibility for the CBC process. The signing of a contract or MOU with the contractor is not a substitute for the suitability determination and does not alleviate the district's responsibility for compliance and oversight.

Across the 20 entities, there were various interpretations of State law and regulations. There were two notable examples, one involving the Delaware Code and one involving the Delaware Administrative Code. Regarding the issue of aged or late receipt of CBC records, although Delaware Code is not specific about the length of time that a person may serve in a provisional status, legislators did not intend for districts to have a person in provisional status for an unlimited amount of time. It is the district's responsibility to develop written processes and procedures to ensure that employees are not employed indefinitely without a CBC. As part of a strong internal control environment, the school district should be instituting appropriate follow-up processes for late CBCs. Also, regarding the overall CBC process, the Delaware Administrative Code Title 14 Section 745 provides only minimum guidelines for persons employed, who may have personal contact with students receiving care or education during the course of their assigned duties. The Delaware Administrative Code then leaves the establishment of specific procedures to the school districts. The school districts had varying levels of understanding of the requirement to supplement the minimum guidelines established in the Administrative Code.

In the auditor's professional judgment, the exceptions referenced in this final report remain valid. We encourage the districts to evaluate shared technology systems which could help automate the management of the CBC process in one system for all employees and non-employees. We continue to encourage district management to consider all recommendations to improve internal controls to help ensure the safety of all district children.

## ***Conclusion***

CBCs are a critical control mechanism to prevent abuse or misconduct involving children within schools. Based on the results of the audit procedures performed, Appoquinimink School District has established internal controls over the CBC process. However, we found weaknesses in the control design and in the operating effectiveness of the controls, as documented in this report. This report makes recommendations that are intended to strengthen the internal controls and accountability for the CBC compliance process to ultimately help protect the district and the children it educates from being victims of bad actors.