



2013

Orange County Public Schools ESOL Audit - Interim Report

Internal Audit Report

ESOL Audit Interim Report

June 25, 2013

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ESOL AUDIT

BACKGROUND

English Speakers of Other Languages (ESOL) is a program for students whose primary language is not English. This is a state-funded instructional program for eligible English Language Learners. These students receive additional support and strategies as they learn the regular school curriculum and the English language. Title III, Part A, provides additional funding to help ensure that English language learners (ELLs) attain English language proficiency and acquire the knowledge and skills needed to meet the State's academic achievement standards. Districts must use Title III funds for high-quality language instruction educational programs and sustained professional development activities for teachers of ELL's and for other educational personnel supporting the education of ELL's. No more than 2% of the Title III grant can be allocated towards administrative (direct and indirect) costs.

OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES:

The audit objectives included an evaluation of effectiveness, efficiency, internal controls and compliance to assist the department in attaining its goals and achieving compliance with applicable laws and regulations as well as district policies. Management was consulted about departmental concerns. Consideration was given to circumstances which may prevent the achievement of goals.

SCOPE:

The scope of the audit was designed to ensure that the objectives of the engagement would be met, considering the reliability and validity of information obtained from systems, records and staff. The 2012 Florida Education Finance Program, Full-Time Equivalent Students and Student Transportation Audit was considered along with the department's responses thereto and its progress in resolving those findings.

METHODOLOGY:

The Internal Audit department has postponed a portion of the audit of ESOL to a later date because of ESOL management turnover and other audits being conducted simultaneously with this audit.

We reviewed the Cost as a Percentage of Revenue Report (CAPOR) for FY 2011 – 2012. This report is compiled yearly and submitted to the Florida Department of Education. This report includes only General Fund cost data and FTE from cost reports. ARRA and special revenue funds are not included. The calculations are based on district surveys done for periods 1, 2, 3, and 4E. The supplied state revenue file includes an estimate for the 4th FTE survey (4E). This may present some conflict between FEFP Revenue and the amount of FTE displayed on the report if the estimated FTE varies from the actual FTE for the 4th Survey (4A). The district and individual school costs and revenues were reviewed.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors and included such procedures as deemed necessary to accomplish the audit objective. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. We are required to note any material deficiencies in accordance with Florida Statutes, School Board Policy and sound business practices. We also offer suggestions to improve controls or operational efficiency and effectiveness.

FINDINGS

The district figures for the ESOL program revealed that the total direct costs for Orange County were \$63,376,287, which represented 72% of FEFP adjusted revenue for fiscal year 2011-2012. Direct costs include salaries, employee benefits, purchased services, materials and supplies, other expenses and capital outlay. Costs for functions 10 through 43 (school direct costs) are included in this report. Expenses for function 56 (other instruction) are excluded from this report. Total school costs for the period were \$90,020,217, which is 102% of FEFP adjusted revenue. Total school costs include total direct costs plus school-based indirect costs such as instructional support and general administration expenses.

Total program costs for the district were \$93,600,141; this amount represented 106% of FEFP adjusted revenue for fiscal year 2011-2012. Total program costs include total School Direct costs and total School-based indirect costs added to district indirect costs. District and School indirect costs include overhead expenses, such as pupil personnel services, attendance and social work, guidance services, health services, media, curriculum, School Board, general and administration, fiscal services, food services,

central services, transportation services, operation and maintenance of plant, and administrative technical services. FEFP adjusted revenue for the period was \$87,903,568.

Several school locations reported percentages of revenue for direct costs, school costs and total costs lower than the district statistic. This may have been the result of expenses that originated from excludable functions like 59 – staff development, 68 – media services, 69 - curriculum or 73 – school administration. This may also have been a result of the school location failing to submit accurate teacher course/ student course records. Or it could be the result of school-based decisions about how to expend these funds.

We noted a gap in the district's accountability for the district cost report content. While it is prepared by the Finance Department, it is not reviewed or analyzed by anyone from the Teaching and Learning Division. It appears that school-based management has sole responsibility for determining fund expenditures for ESOL. As a result, variations in the utilization of funds occur between the schools as noted above. Reviewing the data in the cost report would allow ESOL management to learn of schools that spend more or less than their allocated ESOL funding on ESOL students and address concerns going forward.

We recommend that the cost report information be reviewed and evaluated by an appropriate member of the Teaching and Learning Division in order to better evaluate the use of ESOL funds by school-based management. The CAPOR report could become the basis for discussion with each school that is not meeting District goals for utilization of ESOL funding. The issues mentioned in the last FLDOE report should also be a basis for discussion with each school that failed to maintain the proper school files and documentation.

We would like to thank the staff of the ESOL and Finance Departments for their cooperation and assistance during the audit.

Alva Johnson, Auditor

AUDIT RESPONSE MATRIX

FISCAL PERIOD: 2011-2012

DEPARTMENT/SCHOOL:
 ADMINISTRATOR/PRINCIPAL:
 DEPARTMENT HEAD/AREA SUPERINTENDENT:

Multilingual Student Education Services
Marisol Mendez
Scott Fritz

Exception Noted What is? What should be?	Management Response What needs to be done?	Responsible Person Who needs to do it?	Outcome Timeline When will the action be completed? What is the evidence of completion?
<p>For some schools, there is a gap in the district’s accountability and the district’s cost report.</p> <p>Individual school principals determine the funding expenditures for ELL services at each school.</p>	<p>The Finance Department and teaching and learning will partner to review the CAPOR report to ensure equitable funding is employed in all schools.</p> <p>It is important to note that OCPS is in compliance with the state statute regarding requirements of overall spending for ELL services.</p> <p>Future actions will include:</p> <ul style="list-style-type: none"> • Providing training for all principals on the allocation of budget resources for ELL students including master schedule development and the assignment of highly qualified instructional staff. • Review of allocations by 	<ul style="list-style-type: none"> • Finance Department • ELL Department • Area Superintendents • School Principals 	<p>By April 30, budget department will provide training to all principals on ELL allocations and budget resources. This will be reflected in school’s master schedule.</p> <p>By May, 2014, area superintendents and Teaching and Learning will review and provide feedback to principals on their school budget.</p> <p>By July 1, 2014, principals will monitor teacher effectiveness in the ELL programs by reviewing assessment data and verifying appropriate teacher placement.</p> <p>The ELL department will monitor findings based on the CAPOR to look for patterns and trends and ensure that the district meets the state guidelines.</p>

	<p>area superintendents and Teaching and Learning to ensure that resources are applied equitably at the school level.</p> <ul style="list-style-type: none">• Teacher effectiveness will be monitored for all ELL programs along with teacher placement by the school principal.		
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