

SCHEDULE OF FEDERAL AUDIT FINDINGS AND QUESTIONED COSTS

Highland School District No. 203 Yakima County September 1, 2013 through August 31, 2014

2014-001 Highland School District did not have adequate internal controls to ensure federal compliance with Title I Highly Qualified requirements.

CFDA Number and Title:	84.010 Title I Part A, Grants to Local Educational Agencies
Federal Grantor Name:	U.S. Department of Education
Federal Award/Contract Number:	NA
Pass-through Entity Name:	Office of Superintendent of Public Instruction
Pass-through Award/Contract Number:	0201525 and 0228585
Questioned Cost Amount:	\$23,712

Description of Condition

The Title 1 program is designed to improve the teaching and learning of children who are at risk of not meeting state academic standards and who reside in areas with high concentrations of children from low-income families. In fiscal year 2013-14, the District spent \$449,819 in Title 1 funding.

Each teacher who works in a program supported with Title I money must meet these criteria:

- Has earned at least a bachelors' degree.
- Holds full state certification.
- Has demonstrated subject matter knowledge and teaching skills in each core academic subject assigned to teach.

School districts have a responsibility to support and monitor teacher progress toward meeting the federal requirements for highly qualified teachers. They are required to:

- Have a highly qualified teacher plan and monitor progress to ensure all teachers meet the requirements.

- Ensure yearly progress in the numbers of teachers meeting the requirements.
- Collect and report annual highly qualified teacher data to the Office of Superintendent of Public Instruction (OSPI).
- Maintain highly qualified teacher records at the school or district level.

The District must notify parents of children that are taught by a teacher who does not meet the highly qualified requirements for more than four consecutive weeks.

Our audit found that while the District was aware of the requirement and had controls in place to ensure compliance, the District intentionally overrode controls in order to hire a teacher to teach for six months in a subject matter that she did not have the qualifications to teach in. The District did not have controls in place to ensure parents were notified that this teacher was not highly qualified.

We consider this control deficiency to be a significant deficiency.

Cause of Condition

The District was aware the teacher did not meet the highly qualified requirements for the subject hired to teach. However, the previous teacher left unexpectedly and the position needed to be filled immediately half way through the year. The District determined this teacher was the most qualified at that time.

In addition, the District was unaware of the requirements to notify parents of children taught by teacher unqualified for more than four consecutive weeks.

Effect of Condition and Questioned Costs

The District charged \$23,712 to its Title I grant for a teacher that did not meet the federal highly qualified teacher requirements and did not notify the parents of the children who were taught by the unqualified teacher for more than four consecutive weeks. We are questioning these costs.

Recommendation

We recommend the District strengthen internal controls to ensure compliance with the Highly Qualified Teacher requirements.

We further recommend the District contact OSPI to determine the amount of funds that should be recovered.

District's Response

Faced with a mid-year vacancy the District had to cautiously weigh its options and make a decision most beneficial to its students. The position was advertised with every intention of hiring a highly qualified teacher. There were three applicants and none of them was highly qualified. The next option was to look within our ranks for a teacher who could fill the position but that was to no avail as it would have left a similar position unfilled. Faced with the possibility of leaving a classroom without a teacher from January through June, the district made the administrative decision to hire a teacher who had substituted in that classroom for quite some time and was familiar with Title programs. The teacher had a bachelor's degree and held a full state certification but was missing the highly qualified credential. To further ameliorate the situation, the District had a highly qualified teacher within the building work alongside her as an instructional coach for the duration. The District made all reasonable efforts to make the best of a very difficult situation. A highly qualified teacher was recruited as a replacement at the very next opportunity in the fall.

The Highland School District accurately reported to OSPI the status of this teacher and acknowledges that it should have gone further to notify parents of this situation as it had done on previous occasions. The District will review its internal control to prevent such oversight in the future.

Auditor's Remarks

We thank the District for its cooperation and assistance during the audit and look forward to reviewing the District's corrective action during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300 – Auditee Responsibilities, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs

Government Auditing Standards, December 2011 Revision, paragraph 4.23 states:

4.23 When performing GAGAS financial audits, auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the attention of those charged with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; and (4) abuse that has a material effect on the audit.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, as follows:

.11 For purposes of adapting GAAS to a compliance audit, the following terms have the meanings attributed as follows: ...

Deficiency in internal control over compliance. A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A deficiency in *design* exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in *operation* exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Material weakness in internal control over compliance. A deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. In this section, a reasonable possibility exists when the likelihood of the event is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Remote. The chance of the future event or events occurring is slight.

Probable. The future event or events are likely to occur. ...

Significant deficiency in internal control over compliance. A deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Title 34, Code of Federal Regulation, section 200.56 – Definition of “highly qualified teacher”, states in part:

A teacher described in §200.55(a) and (b)(1) is a “highly qualified teacher” if the teacher meets the requirements in paragraph (a) and paragraph (c), (c), or (d) of this section.

(a) In general.

(1) Except as provided in paragraph (a)(3) of this section, a teacher covered under Sec. 200.55 must--

(i) Have obtained full State certification as a teacher, which may include certification obtained through alternative routes to certification; or

(ii)(A) Have passed the State teacher licensing examination; and

(B) Hold a license to teach in the State.

(2) A teacher meets the requirement in paragraph (a)(1) of this section if the teacher--

(i) Has fulfilled the State's certification and licensure requirements applicable to the years of experience the teacher possesses; or

(ii) Is participating in an alternative route to certification program under which--

(A) The teacher--

(1) Receives high-quality professional development that is sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction, before and while teaching;

(2) Participates in a program of intensive supervision that consists of structured guidance and regular ongoing support for teachers or a teacher mentoring program;

(3) Assumes functions as a teacher only for a specified period of time not to exceed three years; and

(4) Demonstrates satisfactory progress toward full certification as prescribed by the State; and

(B) The State ensures, through its certification and licensure process, that the provisions in paragraph (a)(2)(ii) of this section are met.

(3) A teacher teaching in a public charter school in a State must meet the certification and licensure requirements, if any, contained in the State's charter school law.

(4) If a teacher has had certification or licensure requirements waived on an emergency, temporary, or provisional basis, the teacher is not highly qualified.

(b) Teachers new to the profession. A teacher covered under Sec. 200.55 who is new to the profession also must--

(1) Hold at least a bachelor's degree; and

(2) At the public elementary school level, demonstrate, by passing a rigorous State test (which may consist of passing a State certification or licensing test), subject knowledge

and teaching skills in reading/language arts, writing, mathematics, and other areas of the basic elementary school curriculum; or

(3) At the public middle and high school levels, demonstrate a high level of competency by--

(i) Passing a rigorous State test in each academic subject in which the teacher teaches (which may consist of passing a State certification or licensing test in each of these subjects); or

(ii) Successfully completing in each academic subject in which the teacher teaches--

(A) An undergraduate major;

(B) A graduate degree;

(C) Coursework equivalent to an undergraduate major; or

(D) Advanced certification or credentialing.

(c) Teachers not new to the profession. A teacher covered under Sec. 200.55 who is not new to the profession also must--

(1) Hold at least a bachelor's degree; and

(2)(i) Meet the applicable requirements in paragraph (b)(2) or (3) of this section ...

Title 34, Code of Federal Regulations, Section 200.58 - Qualifications of paraprofessionals, states in part:

(c) New paraprofessionals. A paraprofessional covered under paragraph (a) of this section who is hired after January 8, 2002 must have--

(1) Completed at least two years of study at an institution of higher education;

(2) Obtained an associate's or higher degree; or

(3)(i) Met a rigorous standard of quality, and can demonstrate-- through a formal State or local academic

assessment--knowledge of, and the ability to assist in
instructing, as appropriate--

(A) Reading/language arts, writing, and mathematics; or

(B) Reading readiness, writing readiness, and mathematics
readiness.

(ii) A secondary school diploma or its recognized equivalent is
necessary, but not sufficient, to meet the requirement in paragraph
(c)(3)(i) of this section.

(d) Existing paraprofessionals. Each paraprofessional who was
hired on or before January 8, 2002 must meet the requirements in
paragraph (c) of this section no later than January 8, 2006.

Title 34, Code of Federal Regulations, Section 200.61 - Parents' right to know.

(a) At the beginning of each school year, an LEA that receives
funds under subpart A of this part must notify the parents of each
student attending a Title I school that the parents may request, and
the LEA will provide the parents on request, information regarding
the professional qualifications of the student's classroom teachers,
including, at a minimum, the following:

(1) Whether the teacher has met State qualification and
licensing criteria for the grade levels and subject areas in
which the teacher provides instruction.

(2) Whether the teacher is teaching under emergency or
other provisional status through which State qualification
or licensing criteria have been waived.

(3) The baccalaureate degree major of the teacher and any
other graduate certification or degree held by the teacher,
and the field of discipline of the certification or degree.

(4) Whether the child is provided services by
paraprofessionals and, if so, their qualifications.

(b) A school that participates under subpart A of this part must
provide to each parent--

(1) Information on the level of achievement of the parent's
child in each of the State academic assessments required
under Sec. 200.2;

(2) Timely notice that the parent's child has been assigned, or has been taught for four or more consecutive weeks by, a teacher of a core academic subject who is not highly qualified.