



Office of the Washington State Auditor
Pat McCarthy

Special Report
Career and Technical Education
Ocean Beach School District No. 101
Pacific County

For the period September 1, 2009 through August 31, 2014

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Office of the Washington State Auditor
Pat McCarthy

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Board of Directors
Ocean Beach School District No. 101
Long Beach, Washington

Report on Career and Technical Education

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance with alternative learning experience enrollment reporting rules. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Pat McCarthy
State Auditor
Olympia, WA

AUDIT SUMMARY

Background

In most areas we audited, District operations complied with state laws and regulations, and its own policies and procedures, regarding career and technical education (CTE) enrollment. The District received \$212,414 in CTE enhanced enrollment funding between September 1, 2009, and August 31, 2015.

However, we identified areas in which the District could make improvements.

- Career and technical education program – The District lacked adequate procedures to ensure its CTE courses were approved by OSPI, that instructors had valid certifications, and that instructor CTE endorsements aligned with the courses they were teaching. In addition, two instructors taught without a current Washington State Teacher certificate.

We recommend the District strengthen internal controls over its CTE program to ensure:

- CTE courses are approved by OSPI before counting for enrollment.
- Instructors have valid CTE certifications before counting for enrollment.
- Instructor endorsements align with the CTE courses taught prior to counting for enrollment.

These recommendations are included in our report as a finding.

About career and technical education

Career and technical education (CTE) programs are a form of 7th through 12th grade basic education that receives enhanced basic enrollment funding. CTE full time equivalent is calculated the same as for basic education enrollment. To qualify for the enhanced funding, it must meet criteria as outlined in state regulations including: courses approved by the Office of Superintendent of Public Instruction (OSPI), instructors with CTE certifications and holding endorsements in the subject areas they are teaching and conditional CTE teacher's certification renewed annually.

Districts may count CTE students for funding when they report enrollment to OSPI. In order to claim CTE students for funding, 9th through 12th grade CTE programs must satisfy OSPI's requirements for courses of study leading to a high school diploma. Districts must also keep records to show they have met all of these requirements.

About the Audit

On October 20, 2014, the District notified our Office regarding a potential loss of public funds as required by state law. The District reported concerns involving CTE enhanced enrollment funding, basic enrollment funding, as well as the Carl D. Perkins vocational grant. The District discovered that the former Ilwaco High School Assistant Principal/CTE Director did not ensure conditional CTE teacher's certification were valid, and CTE courses claimed for enhanced funding were approved by OSPI. Additionally, the District was concerned because of the lack of a valid teacher CTE certificate and current OSPI CTE course approval; they were not entitled to the Carl D. Perkins vocational grant. The District requested Educational Service District (ESD) 112 Risk Management perform an outside investigation. We considered this work during our audit to ensure all areas of potential misappropriation were reviewed. Our audit focused on CTE enrollment including basic enrollment claimed for courses taught by conditional CTE teachers.

The District received \$212,414 in career and technical education enhanced enrollment funding between September 1, 2009, and August 31, 2014. We determined through our audit there was a lack of internal controls necessary to ensure CTE enrollment was claimed only for courses approved by OSPI, instructors had valid CTE certifications and endorsements tied to the courses they were teaching. In addition, we reviewed whether the District met requirements for Carl D. Perkins vocational grant. For September 1, 2009, through August 31, 2014, the District was overfunded \$129,476 in CTE enhanced funding and overfunded \$52,046 in basic education funding. We did not find misappropriation of Carl D. Perkins vocational grant dollars.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Ocean Beach School District No. 101 Pacific County September 1, 2009 through August 31, 2014

2016-001 Ocean Beach School District No. 101 was overfunded \$181,522 in combined basic education and career and technical education enrollment due to a lack of internal controls.

Background

The Office of Superintendent of Public Instruction (OSPI) establishes the rules and provides instructions on how school districts should report career and technical education (CTE) enrollment. School districts report the full-time equivalent students to OSPI monthly. Districts receive basic enrollment and enhanced funding based on the number of hours per week students are enrolled in qualified CTE courses.

To qualify for enhanced CTE funding the District must meet these criteria: CTE courses must be approved by OSPI, teachers must have a valid CTE certification and teacher CTE endorsements must align with the courses they are teaching.

Description of Condition

For fiscal years 2014, 2013, 2012, 2011 and 2010, the District received \$212,414 in enhanced CTE funding.

We identified the following errors during our audit of CTE enrollment at Ilwaco High School:

Fiscal Year	No OSPI Course Approval	No CTE Teacher Certification	Endorsement did not align to course taught	No Washington State Teacher Certification
2014	9 of 17	4 of 8	2 of 8	2 of 8
2013	9 of 14	2 of 8	1 of 8	1 of 8
2012	12 of 18	1 of 10	2 of 10	1 of 10
2011	7 of 20	1 of 14	2 of 14	-
2010	7 of 8	1 of 3	1 of 3	1 of 3

Cause of Condition

The District lacked adequate procedures to ensure its CTE courses were approved by OSPI, that teachers had valid certifications, and that teacher CTE endorsements aligned with courses they were teaching.

Effect of Condition

For fiscal years 2014, 2013, 2012, 2011, and 2010 the District was over funded approximately \$181, 522 for combined basic and CTE enrollment.

Recommendation

We recommend the District strengthen internal controls over its CTE program to ensure:

- CTE courses are approved by OSPI before counting for enrollment.
- Instructors have valid CTE certifications before counting for enrollment.
- Instructors endorsements align with the CTE courses taught before counting for enrollment.

In addition, we recommend the District work with OSPI to determine repayment to the state.

District's Response

Ocean Beach School District takes seriously its obligation to comply with all CTE requirements. Corrective action began immediately as the District's new Superintendent started discovering deficiencies in the districts frameworks and certification. The District self-reported to OSPI and the State Auditor's Office; performed a self-audit; and submitted corrected enrollment counts for the current and prior year.

The District also hired an experienced CTE Director to assist in the self-audit process and to ensure CTE certification and endorsement requirements are met; CTE course approvals of frameworks are in place; FTE reporting is accurate; and to provide leadership and oversight to the overall program. The District is confident that the steps taken are sufficient to ensure that it is in compliance with CTE enrollment requirements.

In addition, the District moved the CEDARS reporting to the District Administrative Office to ensure communication and ongoing training on reporting and error detections.

Auditor's Remarks

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to improvements. We will review the status of the recommendations during our next audit.

Applicable Laws and Regulations

Washington Administrative Code 392-121-138 – Full-time equivalent enrollment of vocational education students, states in part:

. . . full-time equivalent enrollment in vocational and skills center programs shall be based upon the actual hours of enrollment in state approved vocational courses.

Washington Administrative Code 181-77-020 – Certificate required.

Persons serving as career and technical education instructors . . . shall hold certificates authorized by the professional educator standards board for service in the respective roles.

Washington Administrative Code 181-77-005 – Types of career and technical education certificates.

(1) The teacher certificate authorizes service as a teacher in the school...and shall be issued in... a specific subcategory...as approved by the professional educator standards board...

Washington Administrative Code 181-77-014 – Requirements for limited certification.

(2) Conditional career and technical education certificate...

(c) The certificate is valid for one year and only for the teaching area specified on the certificate.

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The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

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