

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Central Kitsap School District No. 401

Kitsap County

September 1, 2016 through August 31, 2017

2017-001 The District did not have adequate internal controls in place to ensure compliance with the federal Title I grant requirements for highly qualified paraprofessionals.

CFDA Number and Title:	84.010 – Title I 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:	NA
Questioned Cost Amount:	\$0

Description of Condition

The federal Title I program's objective is 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. During fiscal year 2017, the District spent \$1,202,032 in Title I program funds.

Federal regulations require recipients of federal money to establish and follow internal controls to ensure compliance with program requirements. These controls include knowledge of grant requirements and monitoring of program controls.

To meet the requirements for highly-qualified status, all paraprofessionals charged to Title I must have a high school diploma or its recognized equivalent.

The District is responsible for ensuring all Title I paraprofessionals meet this requirement. The District did not verify and maintain documentation demonstrating a high school diploma or its recognized equivalent was received. Rather, the District relied on the attestation of the applicants without physical verification of a high school diploma.

We consider this deficiency in internal controls to be a material weakness.

This issue was not reported as a finding in the prior audit.

Cause of Condition

The District relied on employees certifying they acquired the high school diploma or equivalent on their employment application to demonstrate the federal requirement was met without further verification or documentation.

Effect of Condition and Questioned Costs

Without adequate controls in place, the District cannot ensure costs charged to the grant are allowable.

The District was able to provide documentation as evidence of a high school diploma for the paraprofessionals selected upon request. Therefore, we are not questioning the paraprofessionals' salaries charged to the grant.

Recommendations

We recommend the District establish and follow internal controls to ensure every paraprofessional provides evidence of a high school diploma or its equivalent. We also recommend the District keep a copy of this evidence in the employee file.

District's Response

The Central Kitsap School District does not concur with the finding of a material weakness in internal controls relative to the Title I highly-qualified status of all para-professionals. Section 1119 of the Elementary and Secondary Education Act of 2001 requires:

- 1. All Paraprofessionals hired after January 8, 2002, hired with Title I, Part A funds or employed in a Title I, Part A schoolwide program and assisting with instruction must meet one of the following prior to hire:*
 - Completed at least 2 years of study at an institution of higher education.*
 - Obtained an associate degree (or higher).*
 - Met a rigorous standard of quality and can demonstrate through a formal state approved assessment, the knowledge of, and the ability to assist in instructing, reading, writing and mathematics, or assisting in instructing and the readiness of above named subject areas, as appropriate.*

2. *All paraprofessionals working in a Title I, Part A funded program, including Title I, Part A schoolwide program, shall have earned a secondary school diploma or its recognized equivalent.*

The Central Kitsap School District requires a secondary school diploma, or equivalent for all paraprofessional staff, regardless of funding source. Applicants are required to provide information of the name of the high school, and if a diploma was obtained. At the time of application, employees certify the validity of the information provided. . We have found no documented requirement within ESEA Sec. 1119, or Department of Education non-regulatory guidance for Title I Paraprofessionals, dated March 1, 2004, that states LEAs must maintain copies of secondary diplomas. Upon request from the auditor, the district was able to obtain copies of diplomas for all staff tested. Additionally, the district has documented the verification of paraprofessional requirements in Item 1 above, which is maintained in each employee file, and available for review.

While the District disputes the finding of a material weakness in internal controls, we do have an interest in making our systems better for the future. Moving forward, we will change our procedure so that applicants are required to provide a copy of a high school diploma, or equivalent, at the time of application. We will also work with our current staff to provide additional documentation of their secondary school diploma, or equivalent.

Auditor's Remarks

We thank the District for its cooperation and assistance during the audit and the steps it is taking to address this issue.

Per the OSPI website and the OSPI Title I, Part A, Guide to Paraeducator Requirements:

Paraeducator Qualifications

A. All paraeducators must have the first, essential credential —a high school diploma or GED (General Educational Development). Paraeducators can provide a copy of their high school diploma — transcripts are not necessary.

B. With this credential in place, there are three educational pathways and one evaluation option a potential paraeducator can take to meet federal requirements.

1. Two years of study at an institution of higher education. The institution you choose must meet five criteria of the Higher Education Act, Section 101(a). All classes must be at level 100 or higher. See Appendix A for a list of public and private institutions OSPI determined meet the five criteria.

2. Associate degree or higher. All associate degrees are acceptable.
3. Pass the ETS ParaPro Assessment. The assessment measures skills, and content knowledge related to reading, writing and math. Contact ETS 800-772-9476 or visit ETS ParaPro Assessment.
4. Washington paraeducator portfolio or apprenticeship program — completed previously. Those meeting the apprenticeship requirements must present a journeycard or certificate. The portfolio and apprenticeships are no longer offered for enrollment, however OSPI will continue to honor this pathway.

Exceptions to a High School Diploma

(1) In some states, students can enter community college without a high school diploma or its equivalent. Districts are allowed to accept these colleges, if the first criterion is absent. OSPI will waive the high school diploma requirement if the paraeducator has official college transcripts documenting at least two years of study at an institution of higher education. The institution you choose must meet five criteria of the Higher Education Act, Section 101(a). All classes must be at level 100 or higher. See Appendix A for a list of Washington public and private institutions OSPI determined meet the five criteria.

(2) There may be extenuating circumstances when a paraeducator is cannot access an official copy of the high school diploma or transcripts. OSPI may grant a waiver on a case-by-case basis. Contact the Title II, A office.

We have verified with the pass through agency, OSPI, certification from the employee of a high school diploma is not sufficient evidence. It is the District's responsibility to ensure it is hiring only qualified paraprofessionals. When the district is unable to obtain a copy of the diploma, OSPI will evaluate on a case-by-case basis and may grant a waiver.

We reaffirm our audit finding and will review the status of the District's corrective action during our next audit.

Applicable Laws and Regulations

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516 – Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303 – Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 34, CFR Part 200, *Title I – Improving the Academic Achievement of the Disadvantaged*, Subpart A – *Improving Basic Programs Operated by Local Education Agencies*, section 58 – Qualifications of paraprofessionals, requires all Local Education Agencies (LEA) to ensure that each paraprofessional hired by the LEA who works in a program supported by the funds of the grant must have earned a secondary school diploma or its recognized equivalent.