

Office of Superintendent of Public Instruction

Agency 350

| Audit Report | Finding Number | Finding and Corrective Action Status | |
|--------------|----------------|--|---|
| 1030978 | 2021-002 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with suspension and debarment requirements for the Child Nutrition Cluster program.</p> <p>In response to prior year’s audit finding, the Office:</p> <ul style="list-style-type: none"> • Developed and implemented a new Child Nutrition Programs Agreement template in December 2019. The template includes information and attestation to suspension and debarment requirements. • Updated the internal process for review and approval of program applications. <p>In September 2020, at the request of the U.S. Department of Agriculture (USDA), implementation of the new agreement template was paused to address the civil rights assurance statement in the agreement.</p> <p>The Office received clarification from USDA on June 7, 2021, and Child Nutrition Services subsequently resumed collection of permanent agreements. The Office continues to send, receive, and process permanent agreements, and expects to conclude in December 2022.</p> <p>The conditions noted in this finding were previously reported in findings 2020-003 and 2019-004.</p> <p>Corrective action is expected to be complete by December 2022</p> <p>Leanne Eko Director, Child Nutrition Services PO Box 47200 Olympia, WA 98504-7200 (360) 725-0410 Leanne.eko@k12.wa.us</p> |

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|--------------|----------------|--|---|
| 1030978 | 2021-003 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over accountability of USDA-donated foods.</p> <p>The Office has taken the following corrective actions to strengthen internal controls over accounting for USDA-donated foods:</p> <ul style="list-style-type: none"> • Implemented the internal policies and procedures established in August 2020 for the USDA-donated foods reconciliation process. • Established adequate internal controls to ensure physical inventory is reconciled with inventory records. Annual physical inventory will be conducted in June at each warehouse. The Office will follow up on any discrepancies identified to ensure the system accurately reflects the current physical inventory. <p>In September 2021, the Office completed the documentation of system requirements for a new/updated electronic food distribution system that includes tracking and reporting capabilities to assist with the reconciliation process.</p> <p>In May 2022, the Office posted a Request for Proposal for the procurement of a new/updated electronic food distribution system.</p> <p>By November 2023, the new system is expected to launch.</p> <p>The conditions noted in this finding were previously reported in findings 2020-004 and 2019-005.</p> <p>Corrective action is expected to be complete by November 2023</p> <p>Leanne Eko Director, Child Nutrition Services PO Box 47200 Olympia, WA 98504-7200 (360) 725-0410 Leanne.eko@k12.wa.us</p> |

Office of Superintendent of Public Instruction

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| Audit Report | Finding Number | Finding and Corrective Action Status |
|--------------|----------------|--|
| 1030978 | 2021-021 | <p>Finding: The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal requirements to ensure Local Education Agencies implemented testing security measures.</p> <p>Corrective Action: It is important to note the unusual circumstances of the statewide assessment during the spring of 2021. General assessments on mathematics, language arts, and science were deferred to a fall test administration. The other alternate assessment allowed the option for either a spring or fall timeframe. Therefore, this audit period only covered part of the test administration, with the remainder of the testing completed in the fall of 2021.</p> <p>The Office monitors and ensures all school districts implement school testing security measures. All districts are required to submit a District Administration and Security Report (DASR) at the conclusion of the testing cycle to document the security training and that protocols have been followed. Monitoring has been in place and ongoing. During the 2020-21 school year, which fell within this audit period, the Office communicated broadly and regularly regarding the DASR requirement, and followed up with due diligence on districts that had not submitted their reports.</p> <p>It should be noted that collection of DASRs and district monitoring/audits are separate activities due to the nature and timing of each activity. DASR submission is an activity that is completed at the end of a school district's test administration. For most districts in the State, DASRs are completed in June after spring testing. The other alternative assessment also concluded in June 2021. In the last two weeks of June, the Office had begun follow-up with districts that had not yet submitted DASRs.</p> <p>The Office originally planned to implement new onsite and desk monitoring protocols of school districts in the spring of 2020, but full implementation has been delayed due to the pandemic. Beginning with the spring 2022 assessments, the Office has resumed onsite and desk monitoring of a rotating sample of districts.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> • Regularly communicate with districts regarding the DASR requirements. • Send follow-up communications if completed submissions are not timely. • Provide districts with all required training materials to help ensure appropriate protocols are in place for the security of the tests. <p>The conditions noted in this finding were previously reported in finding 2020-026.</p> |

State of Washington - Office of Financial Management
 Status of Audit Resolution
 December 2022

Office of Superintendent of Public Instruction

Agency 350

| Audit Report | Finding Number | Finding and Corrective Action Status |
|--------------|----------------------|--|
| 1030978 | 2021-021 (cont'd) | Completion Date: Corrective action is expected to be complete by July 2023 Agency Contact: Christopher Hanczrik Director, Assessment Operations and Select Assessments PO Box 47200 Olympia, WA 98504-7200 (360) 485-3580 Christopher.Hanczrik@k12.wa.us |

Office of Superintendent of Public Instruction

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| Audit Report | Finding Number | Finding and Corrective Action Status | |
|--------------|----------------|--|--|
| 1030978 | 2021-022 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients were adequately supported for the Special Education programs.</p> <p>In response to prior year’s audit finding, the Office took the following corrective actions to improve subrecipient monitoring:</p> <ul style="list-style-type: none"> • Implemented a monthly expenditure reporting process for the Local Education Agencies (LEAs). • Provided instructions to LEAs within the grant application and included in Special Education Monthly Updates. • Used the fiscal risk assessment results to identify LEAs for onsite and desk reviews. <p>Onsite and desk reviews are being accomplished during the 2021-22 school year, with final monitoring of selected LEAs to be completed by December 2022.</p> <p>The Office’s Operations Division will coordinate with the Washington Integrated System of Monitoring team to monitor LEAs during the 2022-23 school year through onsite and desk reviews.</p> <p>The conditions noted in this finding were previously reported in finding 2020-028.</p> <p>Corrective action is expected to be complete by December 2022</p> <p>Tania May Executive Director of Special Education PO Box 47200 Olympia, WA 98504-7200 (360) 725-6075 Tania.May@k12.wa.us</p> |

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| 1030978 | 2021-023 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over requirements to perform risk assessments for subrecipients of the Special Education program.</p> <p>The Office has taken the following corrective actions to strengthen internal controls over performing risk assessments for subrecipients.</p> <p>In April 2022, the Office:</p> <ul style="list-style-type: none"> • Revised and expanded the form package Educational Service Districts (ESDs) are required to submit as part of yearend reporting to include documentation related to the activities identified in the Coordinated Services Agreement (CSA), and factors for timely completion of form package and submission of yearend reporting. This included: <ul style="list-style-type: none"> ○ Providing documentation that supports the implementation of the approved CSA activities. ○ Submitting fiscal year expenditure report to the Office for review to determine if expenditures were allowable and in alignment with the ESD's approved CSA. ○ Providing list of contractor names and services received in the yearend reporting package. This information will be utilized by the Office in selecting contracts for review as part of the ESDs' risk assessment process. • Updated fiscal/program monitoring guidance to reflect the above changes. <p>In June 2022, the Office provided professional development/training to ESDs on the new process.</p> <p>The Office also plans on implementing a revised process to review all submitted documentation for compliance in the 2022-2023 school year.</p> <p>June 2022, subject to audit follow-up</p> <p>Tania May Executive Director of Special Education PO Box 47200 Olympia, WA 98504-7200 (360) 725-6075 Tania.May@k12.wa.us</p> |

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|--------------|----------------|--|---|
| 1030978 | 2021-025 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it monitored Education Stabilization Fund program subrecipients and that payments to them were allowable and adequately supported.</p> <p>In response to the audit recommendations, the Office included the Elementary and Secondary School Emergency Relief (ESSER) programs in the fiscal subrecipient monitoring plan for the current cycle. The reviews were performed in the 2021-22 school year and included a review of 2019-20 and 2020-21 school year expenditures for these programs.</p> <p>The Office will continue to include new and existing federal awards for the ESSER programs in future fiscal subrecipient monitoring plans, through the end of the respective grant periods.</p> <p>January 2022, subject to audit follow-up</p> <p>Amy Harris Director of Federal Fiscal Policy and Grants Management PO Box 47200 Olympia, WA 98504-7200 (360) 688-0485 Amy.Harris@k12.wa.us</p> |

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|--------------|----------------|--|---|
| 1030978 | 2021-026 | <p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p> | <p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Education Stabilization Fund programs.</p> <p>When the risk assessment was developed for the fiscal year 2021 audit period, the Office was not aware that the Education Stabilization Fund programs were required to be included in the risk assessment. Upon discovering the requirement, these federal awards were included in the risk assessment and the results did not indicate material issues.</p> <p>The Office has taken the following corrective actions:</p> <ul style="list-style-type: none"> • Updated the risk assessment to include the Education Stabilization Fund programs. • Modified the risk assessment process to incorporate new and high-risk federal awards for the year they are awarded to determine the appropriate level of monitoring for each subrecipient. <p>The Office will continue to:</p> <ul style="list-style-type: none"> • Improve internal controls to ensure risk assessments are performed for each subaward issued. • Document the results of each completed risk assessment for management evaluation to demonstrate compliance with federal requirements. <p>February 2022, subject to audit follow-up</p> <p>Jason Miller Executive Director, Elementary Education, Early Learning, Special Programs & Federal Accountability PO Box 47200 Olympia, WA 98504-7200 (360) 764-6079 Jason.Miller@k12.wa.us</p> |