

Office of Superintendent of Public Instruction

Agency 350

Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-002	<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 required monitoring of subrecipients of the Child and Adult Care Food Program.</p> <p>The Office has established and implemented the following internal controls to ensure subrecipients are monitored according to program requirements:</p> <ul style="list-style-type: none"> <li>• A procedure where the program supervisor and program director assign and track the monitoring activities that have been assigned to staff.</li> <li>• A procedure utilizing a data dashboard to track subrecipient review progress and completion.</li> </ul> <p>November 2023, subject to audit follow-up</p> <p>Chaundi Barbosa            CACFP Director            PO Box 47200            Olympia, WA 98504-7200            (360) 764-0411  <a href="mailto:Chaundi.Barbosa@k12.wa.us">Chaundi.Barbosa@k12.wa.us</a></p>

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1034932	2023-003	<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 and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Child and Adult Care Food Program.</p> <p>In response to the audit finding, the Office:</p> <ul style="list-style-type: none"> <li>• Will establish policies and procedures and internal controls to communicate federal award information and requirements to all subrecipients.</li> <li>• Is consulting with the U.S. Department of Agriculture for additional guidance on communicating subaward information for programs that are reimbursement based.</li> </ul> <p>Corrective action is expected to be complete by August 2025</p> <p>Leanne Eko            Chief Nutrition Officer            PO Box 47200            Olympia, WA 98504-7200            (360) 725-0410  <a href="mailto:Leanne.eko@k12.wa.us">Leanne.eko@k12.wa.us</a></p>

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1034932	2023-004	<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 internal controls over and did not comply with requirements to verify single audits were completed for all subrecipients of the Child and Adult Care Food Program.</p> <p>The Office has implemented internal controls to ensure all subrecipients requiring a single audit are identified, following up on any program-related findings that require a management decision and updating procedures on maintaining the subrecipient audit tracking log.</p> <p>The Office will implement a training plan for the Child Nutrition Services fiscal team, which includes cross training and completing the State Auditor’s Office subrecipient monitoring training.</p> <p>The Office will follow up with the subrecipient identified in the audit to ensure it obtains its required single audit.</p> <p>Corrective action is expected to be complete by June 2025</p> <p>Debbie Libra          Fiscal &amp; Claims Supervisor          PO Box 47200          Olympia, WA 98504-7200          (564) 233-8620  <a href="mailto:Debbie.libra@k12.wa.us">Debbie.libra@k12.wa.us</a></p>

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1034932	2023-005	<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 was not compliant with requirements to perform risk assessments for subrecipients of the Child and Adult Care Food Program.</p> <p>The Office has established and implemented the following internal controls to ensure subrecipients are monitored according to program requirements:</p> <ul style="list-style-type: none"> <li>• Conduct a risk assessment annually on approved subrecipients during each renewal cycle.</li> <li>• Utilize the risk assessment results, Washington Integrated Nutrition System data, and USDA program specific guidance to determine how subrecipients will be monitored in the coming year.</li> <li>• Follow a risk assessment process to identify and track the monitoring status of each subrecipient.</li> </ul> <p>November 2023, subject to audit follow-up</p> <p>Chaudi Barbosa  CACFP Director  PO Box 47200  Olympia, WA 98504-7200  (360) 764-0411  <a href="mailto:Chaudi.Barbosa@k12.wa.us">Chaudi.Barbosa@k12.wa.us</a></p>

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Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-033	<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 to ensure it filed all reports required by the Federal Funding Accountability and Transparency Act for the Title I, Part A program.</p> <p>In response to the audit finding, the Office:</p> <ul style="list-style-type: none"> <li>• Established effective internal controls to ensure all required Federal Funding Accountability and Transparency Act reports are submitted. This includes ensuring Title IA is included in the cross-check of all federal programs after manual entries have been completed in the Subaward Reporting System.</li> <li>• Ensures management monitors reporting of this information monthly to ensure future reports are submitted completely and accurately.</li> </ul> <p>October 2023, subject to audit follow-up</p> <p>Michelle Sartain            Grants Management Supervisor            PO Box 47200            Olympia, WA 98504-7200            (360) 742-2045  <a href="mailto:Michelle.sartain@k12.wa.us">Michelle.sartain@k12.wa.us</a></p>

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1034932	2023-034	<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 met the earmarking requirements for the Special Education program.</p> <p>When the Special Education program underwent a fiscal leadership transition in 2021, the incoming director identified necessary changes in agency procedures for closing out fiscal year (FY) 2021. The director and budget analyst have been maintaining weekly check-ins since May 2022 to discuss the implementation of proper internal controls.</p> <p>Beginning in FY 2023, the Office has fully implemented processes to ensure spending plans do not exceed the maximum allowable amounts earmarked for administration and other state-level activities.</p> <p>The updated procedures require the director of Operations and the budget analyst to perform the following:</p> <ul style="list-style-type: none"> <li>• Review criteria for spending plans at the beginning of the fiscal year.</li> <li>• Review the Grant Award Notice and Grants to States Summary Table and Preschool Grants to States Summary Table.</li> <li>• Review spending plans and update the maximum allowable amounts earmarked for administration and other state-level activities in the spending plan throughout the fiscal year.</li> <li>• Meet weekly to review spending plans and update plans as requests are received.</li> <li>• Review monthly expenditure reports during weekly meetings.</li> </ul> <p>These updated procedures have contributed to increased communication and partnership between the director of Operations and the budget analyst. These internal controls provide assurance that the Office will meet earmarking requirements and compliance with federal rules.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2022-025.</p> <p>March 2024, subject to audit follow-up</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:Tania.may@k12.wa.us">Tania.may@k12.wa.us</a></p>

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1034932	2023-035	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction improperly charged \$42,265 to the Special Education Cluster.</p> <p>As stated in the finding, the Office has adequate internal controls to comply with period of performance requirements. To address the allowable periods for journal vouchers (corrections), the Office will ensure the correction cycle will align with federally established liquidation periods.</p> <p>In response to the finding, the Office has updated procedures to strengthen internal controls, as follows:</p> <ul style="list-style-type: none"> <li>• Monitor monthly expenditures to ensure the Office stays within the allowable pre-determined threshold and grant award limit.</li> <li>• Complete expenditure corrections within the grant liquidation period.</li> <li>• Liquidate obligations charged to the grant on the last business day of January (or 120 days after the budget period ends).</li> <li>• Request prior approval of late liquidations from the federal grantor as needed.</li> </ul> <p>The Office will communicate the corrective action plan with internal stakeholders to ensure compliance with updated process/procedures.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>January 2024, subject to audit follow-up</p> <p>Amy Kollar                      Director of Agency Financial Services                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6283  <a href="mailto:Amy.kollar@k12.wa.us">Amy.kollar@k12.wa.us</a></p>

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1034932	2023-036	<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 to ensure it performed risk assessments for subrecipients of the Special Education program.</p> <p>In April 2022, the Office’s Special Education division revised and expanded the form package that Educational Service Districts (ESDs) need to submit as part of year-end reporting. Additionally, ESDs are required to respond to a series of questions and provide applicable documentation for contracts and procurement, time and effort process and reports, documentation for professional development expenditures, and year-end expenditure reports.</p> <p>Based on the results from monitoring activities over year-end reporting, ESDs will be selected for additional monitoring and may be subject to an onsite visit if deemed necessary.</p> <p>In March 2023, the Office finalized the Fiscal Monitoring Procedures Handbook for ESDs. The following corrective actions have been implemented:</p> <ul style="list-style-type: none"> <li>• ESDs were required to upload documentation by February 1, 2024.</li> <li>• The Office completed a review of submitted documents and issued reports to ESDs as of February 29, 2024. The reports identified required or recommended corrective actions.</li> <li>• The Office issued final reports to ESDs within 60 calendar days after documentation was reviewed, as of April 30, 2024.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-026 and 2021-023.</p> <p>April 2024, subject to audit follow-up</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:Tania.may@k12.wa.us">Tania.may@k12.wa.us</a></p>



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1034932	2023-038	<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 federal reporting requirements for the Education Stabilization Fund program.</p> <p>Certain data elements missing on the annual Elementary and Secondary School Emergency Relief (ESSER) performance report was not due to lack of internal controls, but rather a result of:</p> <ul style="list-style-type: none"> <li>• Late publication of the federal reporting template which did not allow timely collection of cost details from school districts.</li> <li>• Non-alignment of reporting time frame with school district fiscal year and the decision against assumptions of state level expenditure for reporting.</li> </ul> <p>To address the audit recommendations, the Office organized a series of webinars and trainings for school districts, so they are prepared to annually submit required key information directly to the Office for ESSER reporting. Through these training events, the Office’s fiscal team answered questions and assisted districts to ensure timely and accurate reporting and comply with federal requirements.</p> <p>The Office has been having ongoing conversations with the U.S. Department of Education regarding federal reporting on the ESSER funds. At this time, there is no indication that the grantor will request the information to be resubmitted.</p> <p>June 2024, subject to audit follow-up</p> <p>TJ Kelly                      Chief Financial Officer                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6301  <a href="mailto:Thomas.Kelly@k12.wa.us">Thomas.Kelly@k12.wa.us</a></p>