



STATE OF WYOMING

DEPARTMENT OF AUDIT

PUBLIC FUNDS DIVISION

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February 4, 2014

Board of Trustees
c/o Mr. Brad LaCroix
Weston County School District #1
116 Casper Avenue
Newcastle, WY 82701

Chairman of the Board:

We examined the Wyoming Funding Model regarding Weston County School District #1 - specifically, the data submitted to the WDE for the audit period, July 1, 2011 through June 30, 2012.

Wyoming Statute 9-1-513 requires we "Conduct periodic audits of each school district pertaining to data required to be submitted to the department of education under law and by rule and regulation of the director of the department of education for purposes of implementing and operating the "school finance system" as defined under W.S. 21-2-203(a)."

OBJECTIVE

Our objective is to verify information submitted for funding Weston County School District #1 is accurate and complies with statute.

SCOPE & METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The procedures and techniques used are designed to determine the accuracy of data submitted to the WDE. The procedures and techniques used included:

- Interviews of staff and management.
- Gaining an understanding of tracking systems.
- Analytical reviews of acquired information.
- Recalculating results from source documents.

We reviewed internal controls relating to the reported findings. These controls included:

- Procedures for ensuring valid and reliable data are submitted.

Weston County School District #1
Final Report for Audit
Period: 7/1/11-6/30/12

- Policies and procedures to reasonably ensure resources are used according to law and regulation.

We used non-statistical sampling methods and a statistically based calculation to determine our sample size. Once tested, the results were reviewed for anomalies. An error rate was calculated from the results and projected against the entire population less any stratified portions.

Weston County School District #1 is responsible for the accuracy and reliability of information submitted to the WDE. Our responsibility is to determine the accurate presentation of this requirement.

The accompanying audit of Weston County School District #1 for Audit Period: July 1, 2011 through June 30, 2012 presents the results of our audit.

This report is intended for the Legislative Management Audit Committee, Departmental Management, and other regulatory state agencies. This report is a matter of public record and distribution is not limited.

Public Funds

Public Funds Division

cc: Governor's Office
Legislative Service Office – Dave
Nelson
Weston County Clerk

Wyoming Department of Education – Dianne
Bailey
Wyoming Department of Education – Jed
Cicarelli

**Wyoming Education Audit of Weston County School District #1
Audit Period July 1, 2011 through June 30, 2012**

EXECUTIVE SUMMARY

This audit focused on the accuracy and reliability of data reported to the WDE. The data submitted is entered into the Wyoming Funding Model to calculate the funding for each district.

The elements of the Wyoming Funding Model specifically addressed were:

- Average Daily Membership,
- Transportation,
- Special Education,
- At-Risk,
- Teacher Seniority,
- Central Administration,
- School Administration,
- Payroll,
- Vocational Education,
- Local Resources,
- Information Technology

The net effect of all errors for the entire audit period is \$35,887 due from the school district.

There were three major contributors to these errors:

- ADM
- Vocational Education
- Staff Experience

ADM

The district included BOCES students who were reimbursed on the WDE 401 in ADM. Part-time students did not have their ADM adjusted to reflect their part-time status.

Staff Experience

Timing of the staff experience audit and report done the spring of 2012 did not allow the district time to make adjustments to staff experience based on those audit findings so it could be reflected on the WDE 602 for SY 11-12.

Vocational Education

A class that was not approved by WDE was included as an approved voc ed course. Class sessions that were taught concurrently were treated as separate classes when calculating the number of sessions taught in a 2-week snapshot.

The following table outlines the dollar change associated with the sections in the following report.

Weston County School District #1
Final Report for Audit
Period: 7/1/11-6/30/12

	Funding Year 2013	
DESCRIPTION	CHANGE To (From) School Districts	RESULTS
Original Foundation Guarantee		\$12,962,326
Average Daily Membership (ADM)	(\$19,807)	
SPED Payroll Change	\$563	
Staff Elements (Teacher (\$11,133) + School Admin \$1,975)	(\$9,158)	
Vocational Education Change	(\$6,772)	
At-Risk Change	(\$746)	
Sub Total For Changes Prior to Foundation Guarantee		(\$35,920)
Corrected Foundation Guarantee		\$12,926,439
Greater of Hold Harmless or Foundation Guarantee		\$12,926,439
Less Local Resources		\$4,762,153
Adjusted Foundation Entitlement		\$8,164,286
Original Foundation Entitlement Paid		\$8,200,173
Amount To (From) School District		(\$35,887)

- (1) Interactions between Staff Elements, ADM, At-Risk and Vocational Education create a \$33 difference between the sum of the individual changes and the total change between the corrected and original guarantees. When these components interact in the final adjusted funding model, the amount due from the district is impacted

CHAPTER 1

AVERAGE DAILY MEMBERSHIP

Criteria: W.S. 21-13-101, W.S. 21-13-307, W.S. 21-4-302, W.S. 21-3-314, W.S. 21-4-502, W.S. 21-13-309, W.S. 21-4-50

OBJECTIVE: To determine if ADM is accurately calculated and reported to the WDE.

Condition/Effect:

The district did not accurately calculate student membership. The major control issue observed was the district did not identify BOCES or part-time ADM in the student tracking system and or adjust membership to reflect their attendance status. No error rate was calculated. Two part-time students and five BOCES students were identified and the ADM was adjusted in the respective school and grade. This reduced the reported total ADM of 795.275 to 788.275. Other control issues observed from testing and the interview were:

- 1) Seniors were not marked absent after their early release.
- 2) Secretaries can make changes to attendance data and it appears that they are also the ones who review the changes.
- 3) The SIS is not set up at this time to track changes made within the system.
- 4) Password changes in the SIS are only advised and not forced by the system.

Recommendation:

The district needs to establish the method of membership calculation (major fraction, ratio of periods or ratio of hours) that works best for the district and adjust its part-time students accordingly. BOCES students who are being reimbursed on the WDE 401 for tuition need to be identified and removed from ADM. The district can choose to be reimbursed for tuition or claim the student in ADM but not both. Other recommendations:

- 1) The district needs to mark seniors absent beginning on the early release date at the end of the school year.
- 2) There should be a secondary review of attendance data that has been changed. This should be done by someone other than the person who made the changes.
- 3) The SIS should be set up to log and track changes as capable within the system.
- 4) The SIS should also force password changes at regular intervals.

CHAPTER 2

TRANSPORTATION

Criteria: WDE Rules and Regulation Chapter 20, Section 9(g), Section 7, W.S. 21-13-320

OBJECTIVE: To determine if the school district offsets the cost of new buses with the trade-in or sale value of replaced buses originally reimbursed by the WDE.

Condition/Effect:

The district had no bus sales during the audit period.

OBJECTIVE: To determine if the percentage of student use for MPVs is accurately tracked and reported.

Condition/Effect:

The district had no MPVs cycling out during the audit period. However, issues with mileage gaps and out of state travel beyond the Wyoming border of more than 150 miles were observed in the MPV audit done in the spring of 2013. Based on that audit, it was verified that the district is working on policies and procedures to accurately report student usage of the MPVs. Therefore, no recommendations are considered necessary in this audit.

OBJECTIVE: To determine if reimbursable expenditures are accurately reported.

Condition/Effect:

The district accurately claimed reimbursable transportation expenses.

OBJECTIVE: To determine if allowable salaries and benefits are accurately reported.

Condition/Effect:

The district accurately claimed salaries and benefits.

CHAPTER 3 SPECIAL EDUCATION

Criteria: W.S. 21-13-321, WDE Rules and Regulations Chapter 8, sections 13 and 15

OBJECTIVE: To determine if reimbursable expenditures are accurately reported.

Condition/Effect:

The district accurately claimed reimbursable special education expenses.

OBJECTIVE: To determine if allowable salaries and benefits are accurately reported.

Condition/Effect:

Special education benefits were not accurately claimed. Benefits were slightly under claimed for a couple of employees who had their benefits reduced for a retirement adjustment but they were not receiving the retirement benefit. This was an isolated error of a minimal amount for two employees.

Recommendation:

The district should review and verify employees participating in the retirement system prior to making an adjustment for their benefits.

CHAPTER 4 STAFF ELEMENTS

Criteria: W.S. 21-7-104, W.S. 21-7-105, W.S. 21-13-309, WDE 602 Form Instructions

OBJECTIVE: To determine the information pertaining to teachers is accurate.

Condition/Effect:

The district did not accurately report experience for teachers. The timing of the completion of the staff experience audit done the spring of 2012 did not allow the district to get the audit adjustments included on the WDE 602 for the audited school year of 11-12. Nine of the 16 teachers sampled had various types of errors both positive and negative. Experience errors observed were not claiming all allowable experience, counting substitute teacher experience, including pre-school experience and -experience from non-accredited schools. There were no degree, certification or FTE errors observed in the testing of the teachers. Based on the experience errors observed in the sample, an error rate of (1.11%) was calculated and projected back to the teacher experience universe.

OBJECTIVE: To determine the information pertaining to central administration is accurate.

Condition/Effect:

There were no issues observed during the testing of central administration experience.

OBJECTIVE: To determine the information pertaining to school administration is accurate.

Condition/Effect:

The district did not accurately report school administration experience. Experience was slightly underreported for a couple of principals. This was due to some principal experience that did not get included for two administrators and a minor reduction in FTE for one administrator.

Recommendations for Staff Elements:

No recommendations are considered necessary since verification of the WDE 602 for SY 12-13 showed all staff still at the district reflected the recommended audit adjustments from the staff experience audit done in the spring of 2012.

CHAPTER 5 LOCAL RESOURCES

Criteria: W.S. 21-13-310

OBJECTIVE: To determine if local resources is reported accurately.

Condition/Effect:

Local resources were reported accurately. There were no issues observed during testing in this area. However, timing issues made it difficult to reconcile the GL detail with the accounts that correspond to the county treasurer's report due to the BOCES and recreation district pass-through funds.

Recommendation:

The district may want to consider a spreadsheet outside of the GL to track the monthly BOCES and recreation amounts that need to be backed off in order to reconcile the GL with the treasurer's report.

CHAPTER 6

VOCATIONAL EDUCATION

Criteria: W.S. 21-13-329

OBJECTIVE: To determine the Average Voc. Ed. Teacher and Student FTE is accurate.

Condition/Effect:

The district did not report vocational education FTEs accurately. It included a class (Success in the Workplace) that was not an approved vocational education course. Also, class sessions such as Agriscience I and II taught concurrently in the same period were treated as separate classes when calculating the number of sessions taught in a 2-week snapshot when calculating the teacher FTE. Differences were also observed in the class enrollment numbers for some classes based on the October and February snapshot dates. There was a total of 690 students reported by the district in all of the voc ed classes. The review reduced this number to 620. This includes the student enrollment of 61 that was disallowed in the Success in the Workplace classes which was not an approved course. This left nine students between all other classes that could not be included in the enrollment due to the snapshot dates.

Recommendation:

The district needs to make sure that if two courses are taught concurrently in the same period, it can only be counted in the teacher FTE one time. In a two-week snapshot, since the courses are concurrent, it would count as only 10 sessions rather than 20 when calculating the teacher FTE. The district should also verify all classes included in the vocational education student FTE calculation are approved by WDE. Also, the district will want to make sure it is using the October and February snapshot dates for the enrollment in each class.

CHAPTER 7

AT-RISK

Criteria: W.S. 21-13-309(v)(A)

OBJECTIVE: To determine the count of students qualifying for at-risk funding is accurate.

Condition/Effect:

The district did not accurately report at-risk. One student out of five total reported in the ELL count had tested proficient and was beyond the two-year monitoring period.

Recommendation:

Once a student has tested proficient and remains in that standing for the two-year monitoring cycle, he/she should no longer be included in the ELL count.

CHAPTER 8

GENERAL

Criteria: Best practices as determined by professional judgment in the areas of logical and physical security, and business continuity.

OBJECTIVE: To identify potential weaknesses in school district policies and procedures concerning general IT controls.

Condition/Effect:

Weaknesses have been identified from the interview and observation of settings in PowerSchool. Due to the sensitive nature of the IT findings, a separate report will be issued to district management only.

List of Acronyms:

- ADM: Average Daily Membership
- SY: School Year
- GL: General Ledger
- Voc Ed: Vocational Education
- SIS: Student Information System
- BOCES: Board of Cooperative Educational Services
- IT: Information Technology
- WDE: Wyoming Department of Education
- ELL: English Language Learner
- W.S.: Wyoming Statute
- MPV: Multi-Purpose Vehicle
- FTE: Full-Time Equivalent
- SPED: Special Education

District Response

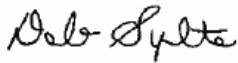
Most of the district's response pertains to sensitive information technology issues. So we haven't included that portion of the response in the public report. The district's response to the non-sensitive areas is included below.

We will take your recommendation for the ADM findings by marking the seniors as absent on the early release dates, we won't count BOCES students in our ADM, and we will use the major fraction method of calculating membership for part-time students. We have contacted PowerSchool about the SIS being set up to log and track changes, but were told that isn't possible at this time. Once attendance is entered by the secretary, it cannot be changed without going through the school office. We have already implemented procedures on requiring staff to change their passwords.

Finally, we agree with the recommendations in the other areas and will implement procedures to make them happen.

Thank you.

Sincerely,



Deb Sylte
Business Manager