

# Campus Systems Audit: Dr. Josefina Villamil Tinajero PK-8 School

Audit Plan Code: 23.01-03.A



Assurance | Insight | Objectivity

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Final Report

June 21, 2023

Instances were noted where student attendance was not recorded accurately, and attendance records were incomplete or misfiled. In addition, as of the last day of school, the campus had a total of 16,053 unverified absences.

Other instances were identified where procedures for attendance, notice of absence letters, and activity fund management were not followed as expected.



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## Abbreviations

ASAP	Analytics, Strategy, Assessment & PEIMS
ATTV03	"Student Absent on 1 <sup>st</sup> Day of Enrollment" report
COV	Covid Positive for student, absence reason code
EPISD	El Paso Independent School District
JE	Journal Entry
FMLA	Family and Medical Leave Act
FSP	Foundation School Program
IL	Illness, absence reason code
MD	Medical NT, absence reason code
MDA	Medical All Day, absence reason code
NOA	Notice of Absence
OPH	Out Patient Hospital Care, absence reason code
SD	School Activity, absence reason code
SFO	School Funds Online
PCN	Position Control Number
PEIMS	Public Education Information Management System
PK	Pre Kinder
SAAH	Student Attendance Accounting Handbook
TEA	Texas Education Agency
UNV	Unverified absence



# Audit Report

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## Objective and Scope

The objectives of the audit were to determine if:

1. Attendance was recorded accurately in accordance with the Texas Education Agency's (TEA) Student Attendance Accounting Handbook and the District's Attendance Procedures Manual.
2. School staff notified parents when students had three or more unexcused absences within a four-week period.
3. School staff followed the District's Campus Accounting Manual as it pertains to:
  - a. Collections in the vault were receipted and secured.
  - b. Disbursements and transfers between activity funds were approved and supported.
  - c. Bank reconciliations were approved and completed timely.

The scope of the audit was the 2022-2023 school year (through February 28, 2023).

## Results, Recommendations, and Principal's/Management's Response

Based on the tests performed during the campus visit and the information gathered for the samples tested, eight (8) findings and three (3) observations were identified. The audit results are summarized below by objective.

1. Six (6) of the twelve (12) absences tested were recorded accurately. For the remaining absences tested:
  - The absence reason was not updated for five (5) absences although the supporting documentation was on file. See Finding 1 for details.
  - For one (1), there was incomplete documentation to justify the absence reason code. See Finding 2 for details.

Also, there are instances of non-compliance with the District's Attendance Procedures Manual relating to Daily attendance procedures, attendance supporting documentation, and attendance records misfiling. See Findings 3, 4, 5, 6 and Observations 1 and 2 for details.

2. The three (3) students in our sample were notified about unexcused absences through a Notice of Absence (NOA) letter. However, one (1) of the NOA letters did not include unverified (UNV) absences for August 2022 and included three (3) duplicate dates in the letter. See Finding 7 for details.
3. There were instances of non-compliance with the Campus Accounting Manual as it relates to bank reconciliation submissions and a transfer between activity funds. See Finding 8 and Observation 3.

Included with each finding and observation, are (i) the Principal's response or /management's response (if applicable) and (ii) recommendation(s) to address the finding or observation identified.

We want to thank the staff from Dr. Josefina Villamil Tinajero PK-8 school, Student and Parent Services, Student Retention and Truancy Prevention, Campus Accounting, Administrative Services, ASAP Department, and Information Technology who assisted in this audit, for their time.

## Finding 1

Unverified (UNV) absences were not modified to the correct absence reason code while supporting documentation was on file

Supporting documentation for five (5) of the six (6) student absences tested justified an absence reason code other than UNV (see table below); however, the absences remained as UNV in Frontline. The UNV absences recorded in Frontline are not accurate, which impacts Foundation School Program (FSP) funding and might have triggered unnecessary notice of absence letters.

The campus had a total of 16,053 unverified absences as of the last day of school (June 7, 2023). The attendance clerk was absent for 49 (28%) out of the 177 instructional days in the 2022-2023 school year; 35 (20%) full days (8 hrs.) and 14 (8%) partial days (from 1 to 6 hrs.). The campus should have assigned another employee or requested assistance from the central office to fulfill the attendance clerk's responsibilities when s/he was absent.

Table1: Tested UNVs with supporting documentation on file			
Student Absence Date	Absence reason code in Frontline	Potential absence reason code based on supporting documentation	Considered present for FSP purposes (SAAH Section 3.6.3)
9/19/22	UNV	MDA or OPH	No
10/31/22	UNV	IL	No
12/6/22	UNV	MD	Yes
12/7/22	UNV	COV	No
2/15/23 to 2/17/23	UNV	MDA	No

The EPISD Attendance Procedures Manual under –

- The Role of Special Program Designees states, the principals should "Ensure attendance clerks are posting documentation within five days of receiving documentation."
- Daily Attendance procedures states, "Post corrections and absence reasons in the student system. All posting must occur within five days of receiving the absence documentation."
- Security Access and Training states, "Clerks serving in the backup attendance role must attend available staff development (sic) sessions on attendance."

**Principal's Response:** "Our campus is currently assigned 1 attendance clerk for over 1,240 students. During this time our front office staff was also identified as being understaffed by 2.5 office clerks. Our attendance clerk went on FMLA for a period of time. PCNs for campus positions were created on 11/8/22. I have starting dates for the campus clerks: 1/18/23 and 2/1/23. We still have 1.5 clerks pending hire." The Principal said he will "work with his front office staff to cross train everyone in the different positions" within the campus and "also reach out to the Assistant Superintendent to discuss possibility of additional attendance clerks."

## Recommendations

- 1.1 The Principal should direct the attendance clerk to modify the absence reason codes in Frontline for the five student absences identified if not done already. The Principal should determine the appropriate absence reason code based on the supporting documentation on file.
- 1.2 The Principal should consult with his/her Assistant Superintendent and Student Parent Services to determine:
  - a. The best course of action to address unverified absences and update attendance records for the school year 2022-2023 in Frontline based on supporting documentation on file. For example, an additional clerk could be temporarily assigned to assist in updating attendance records.
  - b. Whether one attendance clerk position is sufficient to manage the attendance duties and volume of records at the PK-8 campus.

## Finding 2

Supporting documentation for one (1) absence tested was incomplete

One (1) of the six (6) absences tested did not have complete supporting documentation in the daily file folders to justify the absence reason code as follows:

Table 2: Absence with incomplete supporting documentation			
Absence Date	Absence code used	Supporting Documentation on File	Required Documentation/Form Missing
9/28/22	SD (School activity)	List of students attending school activity. Not signed.	School activity roster signed by the campus administrator prior to the activity

Documentation on file may not be considered acceptable for audit (external) purposes; thus, it is not sufficient to count the student as present for Foundation School Program (FSP) purposes.

The EPISD Attendance Absence Codes table (under the Documentation Requirements column) outlines the following:

- Absence reason code “SD” should be used when a student participates in a school activity approved by the principal and/or district and the teacher must submit a roster signed by the campus administrator prior to the activity. The absence reason code is considered excused and it’s not state reported.

The TEA’s Student Attendance Accounting Handbook (SAAH) under –

- Section 2 Audit Requirements states, “Incomplete or inaccurate data will result in attendance not being allowed.”
- Section 3.6.3 Requirements for a Student to Be Considered Present for FSP (Funding) Purpose states, “A student not actually on campus at the time attendance is taken may be considered in attendance for FSP purposes if the student:...is participating in an activity that is approved by your local school board and is under the direction of a professional staff member, an adjunct staff member, or a paraprofessional staff member of your school district.”

**Principal’s Response:** “Attendance clerk filed paperwork on the wrong date.” The Principal said he will “work with Student and Parent Services to possibly create a Microsoft Form version in order to keep documents organized.”



## Recommendations

- 2.1 The Attendance Clerk should revisit the supporting documentation requirements in the "EPISD Attendance Absence Codes" table for the SD absence codes to avoid reoccurrences.
- 2.2 Campus personnel should use the documentation/forms required by Student and Parent Services for the SD absence reason codes.

### Finding 3

The "Daily Attendance by Student" report was not on file for the six (6) daily folders tested

The Attendance Clerk indicated s/he started generating the report on February 21, 2023. As such, absences have not been reviewed between August 1, 2022, and February 21, 2023, to verify the absence reason codes recorded (i.e., postings) are correct as per the EPISD Attendance Procedures Manual, which impacts FSP funding.

The EPISD Attendance Procedures Manual under –

- Daily Attendance Procedures states, "Running the daily attendance report each morning for the previous day. Verify all postings are correct. You can either run the daily attendance by student (recommended) or the student attendance detail."
- Six Week Procedures states, "Attendance must be maintained for each day within a six week period and placed in a daily manila file folder. The following items must be included...Daily Attendance Report (all day and Accounting Period)\*... \*Daily reports must be maintained in a file folder for each day."

**Principal's Response:** See response in Finding 1.

## Recommendations

- 3.1 The Attendance Clerk should perform the procedures stipulated in the EPISD Attendance Procedures Manual.
- 3.2 The Principal should assign the responsibility to generate and file in the proper daily file folder the "Daily Attendance By Student" report to another campus clerk (i.e., backup) when the attendance clerk is absent or not available if it has not been assigned already.

### Finding 4

The "Attendance not Taken" report was not on file for the six (6) dates tested

The campus did not identify if any teachers had not taken attendance on September 28, 2022, October 31, 2022, December 7, 2022, December 15, 2022, January 17, 2023, and February 14, 2023. The attendance clerk was absent on October 31, 2022, and December 7, 2022; thus, s/he could not generate the "Attendance not Taken" report on those two days.

If attendance is not taken, there is a risk (i) a student(s) who was not on campus (during the attendance accounting period) may be inaccurately considered in attendance for FSP purposes and (ii) the campus does not have an accurate record of the student's whereabouts in case of an emergency (for safety purposes).

The EPISD Attendance Procedures Manual under –

- Daily Attendance Procedures states, “Generate the attendance not taken report to determine who has not taken attendance by no later than noon for morning classes and no later than three o’clock p.m.”
- The Role of the Attendance Clerk states, “The senior attendance clerk, attendance clerk and PEIMS clerk elementary are assigned the responsibility of verifying the submission of attendance each period or the attendance accounting period as required by the District.”
- Security Access and Training states, “Clerks serving in the backup attendance role must attend available staff development session on attendance.”
- General Information for Teachers states, “Teacher entry of attendance information is very important to the District. It is extremely important that attendance is taken as accurately as possible. Failure to take attendance correctly causes the District to lose funding and subjects the District to both internal and external audits.”

**Principal’s Response:** See response in Finding 1.

## Recommendations

- 4.1 The Principal should assign the responsibility to generate the “Attendance Not Taken” report to another campus clerk (i.e., backup) when the attendance clerk is absent or not available if it has not been assigned already.
- 4.2 The assigned clerk serving as backup for attendance must attend training on attendance procedures.
- 4.3 The Principal should direct, in writing, the attendance clerk to generate the “Attendance Not Taken” report as outlined in the EPISD Attendance Procedures Manual
- 4.4 The Principal should monitor whether the “Attendance Not Taken” reports are generated timely. This can be done as part of the six weeks’ self-audits which are documented in the “Principal’s (or Designee’s) Daily Attendance File Audit Form.”

## Finding 5

The “ATTV03 Student Absent on 1<sup>st</sup> Day of Enrollment” report was not on file for the 1<sup>st</sup> day of school

The attendance clerk did not recall if s/he ran the report for the 1<sup>st</sup> day of school. If the report was not run, there is a risk the attendance clerk did not verify the students that attended class during the accounting period on the first day of school. The verification determines the students who are in membership to generate Foundation School Program (FSP) funding.

The EPISD Attendance Procedures Manual under Daily Procedures states, “Run the Student Absent on 1<sup>st</sup> day of Enrollment ATTV03 Report. Verify that entering students attend class during the accounting period on the first day of enrollment.”

**Principal’s Response:** “Our campus is currently assigned 1 attendance clerk for over 1,240 students.” The Principal said he will “work with Student and Parent Services in order to properly train” the attendance clerk on the procedures.

## Recommendation

The Attendance Clerk should perform the daily procedures as stipulated in the EPISD Attendance Procedures Manual.

### Finding 6

Four handwritten student sign-in sheets were used as student rosters for taking attendance

Handwritten sign-in sheets are not considered acceptable supporting documentation for audit (external) purposes; thus, not sufficient to count the student as present for Foundation School Program (FSP) purposes. Per the former Executive Director of Student and Parent Services, a typed roster containing the students' ID, testing location, and name of the proctor has to be provided by the attendance clerk to the teacher or proctor to use to indicate if the students were absent or present. In addition, the typed roster should be signed by the teacher/proctor. This practice is not documented in the EPISD Attendance Procedures Manual and/or EPISD Attendance Absence Codes table.

The TEA's Student Attendance Accounting Handbook (SAAH) under -

- Section 3.6 General Attendance Taking Rules states, "Using a student sign-in sheet to record attendance is not an acceptable method of taking roll and will result in the attendance being disallowed", "All other methods by which a student takes his or her own attendance, such as sign-in sheets, are not allowed under any circumstances." AND "Students who are on campus at the time attendance is taken but who are not in their assigned classroom are considered in attendance for FSP purposes provided they were with a campus official (nurse, counselor, principal, etc.). Class admit slips or other documentation supporting that a student was with a campus official must be retained for audit purposes."
- Section 1.5 Auditing of Attendance Information states, "If auditors detect errors during an audit, TEA will either assess an adjustment to subsequent allocations of state funds or require your district to refund the total amount of the adjustment when the audit is finalized."

**Principal's Response:** See response in Finding 5.

## Recommendations

6.1 The Principal should inform campus administrators and staff, in writing, of the SAAH attendance-taking rules related to student sign-in sheets and adhere to them.

6.2 The Student and Parent Services Department should outline the supporting documentation required for the "testing" absence reason in the EPISD Attendance Procedures Manual and/or EPISD Attendance Absence Codes table.

### Finding 7

NOA letter had duplicate dates and was missing absences

One NOA letter dated 10/24/2022 for one of the (3) three students tested did not include five (5) unverified (UNV) absences for August 2022 and had three (3) duplicate dates in the letter.

The EPISD Student Retention and Truancy Prevention Manual under Notice to Home of Unexcused Absences states, "Campus personnel will send the Notice of Unexcused Absence to Parent by mail when a student is identified as having three unexcused absences."



**Principal's Response:** See response for Finding 5.

**Management's Response:** The cause of missing and duplicate absence dates in the NOA letter could not be determined.

## Recommendation

The absences listed in the NOA letters should be verified for accuracy before the letters are sent to parents/students.

## Finding 8

Two (2) bank reconciliations were submitted after the deadline

The two (2) bank reconciliations tested were submitted two (2) to 94 days after the Campus Accounting deadline.

Month	Approval Date (Principal)	Date due	Date Emailed to Campus Accounting	Submitted on time	Total Day difference
October 2022	11/28/22	11/08/22	3/7/23	No	94
January 2023	2/10/23	2/08/22	2/10/23	No	2

The business agent and Campus Accounting staff overlooked the submission of the bank reconciliation for October 2022 and as such, it was not submitted until March 2023.

The EPISD Campus Accounting Manual (CAM) 13.5 Bank Reconciliation states, "The bank reconciliation must be processed and completed by the 8th of each month (or next working day). All bank reconciliation forms must be generated, and the finish button pressed, this completes the process. The signed bank reconciliation, bank statements, and journal entries with back up are emailed to the Campus Accounting Office."

**Principal's Response:** "Actual Reconciliation was completed in SFO on 11/9 at 5:55 pm. Secretary on vacation 11.10-11.18 Principal signed on 11.28" The Principal said he "will double check with campus accounting to ensure reports have been submitted on time."

## Recommendation

The secretary and the Principal should process, complete and submit bank reconciliations to Campus Accounting by the 8<sup>th</sup> of each month.

## Observations, Recommendations, and Principal's Response

While conducting this audit, we made observations that were not included as findings in the Audit Report. However, we felt the observations were worthy of informing you as the data owner/expert to determine how they should be addressed.

## Observation 1

The supporting documentation on file for five (5) of six (6) absences tested was not date-stamped:

Absence Date	Description of Supporting Documentation Found
9/19/22	Health Facility Note
10/31/22	Health Office Referral Slip
12/6/22	Health Facility Note
2/14/23	Entrance Pass
2/15/23 to 2/17/23	Health Facility Note (found in daily folder for 2/21/23)

The EPISD Attendance Procedures Manual under –

- Daily Attendance Procedures states, “All documents must be date stamped.” AND “Post corrections and absence reasons in the student system. All posting must occur within five days of receiving the absence documentation.”
- The Role of Special Program Designees states, “the principal should - Ensure attendance clerks are posting documentation within five days of receiving documentation.”

**Principal’s Response:** See response in Finding 5.

## Recommendation

The attendance clerk should date stamp all attendance documentation as outlined in the EPISD Attendance Procedures Manual. The Principal can then monitor if the absence reason code is being updated within five days of receiving the attendance documentation.

## Observation 2

Six (6) instances of misfiled attendance documents were identified during the campus visit.

Daily File Folder Date	Support on file	Absence dates indicated in support
12/7/22	Dr. Note	12/6/22
12/7/22	Health Office Referral Slip	11/28/22
12/7/22	Health Office Referral Slip	11/28/22
12/15/22	Handwritten Sign-in Sheet	12/13/22
12/15/22	Dr. Note	11/16/22
2/21/23	Dr. Note	2/12/23 to 2/17/23

The EPISD Attendance Procedures Manual under Daily Attendance Procedures states, “Retain all sign-in/sign-out sheets, absence notes, physician notes, and substitute class rosters. File in the appropriate daily folder... Example: On Monday, you receive a note for last Thursday. File the note in the Thursday folder”

**Principal’s Response:** See response in Finding 5.

## Recommendations

- 2.1 The Principal should direct the attendance clerk to file the attendance documents identified in the correct daily folder if not done already.
- 2.2 The Principal should consult with his Assistant Superintendent and Student Parent Services to determine the best course of action for reviewing the attendance daily folders for the school year 2022-2023 to ensure attendance documents are in the correct daily folders. In addition, if misfiled documents

are identified during the review, the Principal should ensure the absence reason code is reflected accurately in Frontline.

### Observation 3

The campus did not obtain approval in writing from the sponsor to transfer \$17.00 from the library account to the science club account. The librarian is the sponsor for both the science club and the library.

The EPISD Campus Accounting Manual (CAM) under –

- Section 5.5 Journal Entries (JE) states, “Once JEs are posted and generated, a copy complete with signature and appropriate backup must be sent to the Campus Accounting Office.”
- Section 19.2 Completing a Journal Entry states, “All Journal Entries must be signed by the principal and campus financial clerk.”
- Section 19.3 Agency/Activity Account Transfers-JE states, “AGENCY/ACTIVITY corrections through a JE require the sponsor's signature on the JE or backup documentation.”

**Principal's Response:** “Sponsor was made aware verbally.” The Principal said he will “ensure sponsors sign JEs.”

### Recommendation

The campus should follow the campus accounting procedures regarding transfer of funds.



# Appendix A: Background and Methodology

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## Background

The Campus Systems Audit was approved by the Board of Trustees as part of the 2022-2023 Internal Audit Plan. The audit supports Levers I and IV of the District's Strategic Blueprint.



The Campus Systems Audit provides an independent and objective risk-based assessment of Dr. Josefina Villamil Tinajero PK-8 School compliance with procedures for (i) student attendance and (ii) activity funds. The specific audit objectives are included in the [Objective and Scope](#) section of this report.

### Student Attendance

Attendance reporting and validation occur daily at each EPISD campus. Elementary teachers must take attendance at 10:00 a.m. at the official accounting period. Middle and high school teachers take attendance within the first ten minutes of a class period each day. The campus Attendance Clerk (i) confirms that daily attendance entries are complete and correct each day and (ii) verifies the submission of attendance for each period or the attendance accounting period as required by the District. The campus principal must review and attest to the accuracy and completeness of attendance data for the campus.

The accuracy of attendance data is critical for identifying students who have excessive absences and for funding purposes.

- According to the US Department of Education's Report on Chronic Absenteeism, "Education can only fulfill its promise as the great equalizer - a force that can overcome differences in privilege and background - when we work to ensure that students are in school every day and receive the supports they need to learn and thrive...Students who are chronically absent—meaning they miss at least 15 days of school in a year—are at serious risk of falling behind in school."
- The Texas Education Agency (TEA) uses student attendance data to allocate Foundation School Program (FSP) funds to Texas Public schools. The TEA's 2022-2023 Student Attendance Accounting Handbook Section 1 Overview states, "Under state law, every Texas school district is required to adopt an attendance accounting system...that includes procedures that ensure the accurate taking, recording, and reporting of attendance accounting data."

## Activity Funds

Activity funds are established to direct and account for monies used to support co-curricular and extra-curricular student activities. Cocurricular activities are school-sponsored activities that directly add value to classroom instruction and curriculum. Extracurricular activities include a variety of other district-directed activities, like athletic and other nonacademic competitions. <sup>1</sup> According to the TEA's Financial Accountability System Resource Guide Appendix H, "These funds are to be used to promote the general welfare of the school district and the educational development and morale of all students."

At EPISD, there are student and campus activity funds. Student activity funds belong to students and are used to support the activities of student-led organizations and clubs and for purposes authorized by the student club or organization. The sponsor for the student organization/club and the principal manage and approve all disbursements. Campus activity funds belong to EPISD and can be expended for the benefit of the District or its students and shall be related to the District's educational purpose.<sup>2</sup> The financial clerk and principal are responsible for managing campus activity funds. The principal is responsible for approving disbursements from campus activity funds.

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## Methodology

To achieve our audit objective(s), we:

1. Researched relevant federal/state laws and regulations, Board policies, and the departments' manual/guidelines.
2. Interviewed key personnel, attended training provided by Student and Parent Services and Campus Accounting, and performed walkthroughs to understand attendance, truancy, and campus activity fund management functions, processes, and controls in place.
3. Obtained attendance change logs from the Information Technology Department.
4. Performed a risk assessment based on our understanding of the processes and controls in place for attendance, truancy, and campus activity fund management.
5. Performed a risk-based analysis to select the campuses to audit. The analysis was performed based on (i) information gathered from key personnel, (ii) the external auditor's management letter, (iii) the number of unverified absences, (iv) attendance rates, (v) changes in attendance and financial clerks, and (vi) changes in campus activity balance totals.
6. Conducted a campus visit, inquired about the attendance, truancy, and campus activity fund management processes, and performed audit procedures related to the audit objectives.

Because of the inherent limitations in a system of internal controls, there is a risk that errors or irregularities occurred and were not detected. Due professional care requires the internal auditor to conduct examinations and verifications to a reasonable extent. Accordingly, an auditor is able to obtain reasonable, but not absolute, assurance that procedures and internal controls are followed and adhered to in accordance with federal, state, local policies, and guidelines.

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<sup>1</sup> Texas Association of School Boards School Legal Services, Activity Funds

<sup>2</sup> Board Policy CFD (Local) Accounting: Activity Funds Management





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## **Internal Audit**

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