



Career and Technical Education Industry-Based Certifications Audit

Audit Plan Code: 22-03

ASSURANCE • INSIGHT • OBJECTIVITY

Final Report

June 23, 2022

We found instances where (i) Industry-Based Certifications (IBCs) earned by students were not reported to TEA, (ii) IBCs were reported to TEA in the incorrect PEIMS submission, and (iii) four instances it was not beneficial to purchase exam vouchers in bulk.



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Abbreviations

ACA	Adobe Certified Associate
ACU	Autodesk Certified User
CAP	Corrective Action Plan
CCMR	College, Career, and Military Readiness
CTE	Career and Technical Education
EPISD	El Paso Independent School District
IBC	Industry-Based Certification
MOS	Microsoft Office Specialist
PEIMS	Public Education Information Management System
TEA	Texas Education Agency



Executive Summary

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We have completed the Career and Technical Education Industry-Based Certifications Audit. The objectives of the audit were to determine:

- The completeness and accuracy of the Industry-Based Certification (IBC) PEIMS data reported to the Texas Education Agency (TEA) and,
- If the practice to purchase IBC vouchers in bulk was beneficial to the District.

The scope of the audit included IBCs earned between September 1, 2020, and May 31, 2021, and reported in the Public Education Information Management System (PEIMS) 2020-2021 Summer submission.

The Internal Audit Report that follows includes detailed findings, observation, recommendations, methodology, and background.

We would like to acknowledge and thank the Director of Career and Technical Education and his staff, the PEIMS Manager, and the Student Systems Manager who participated in this audit for their time.

What We Found

The Career and Technical Education (CTE) Department has implemented manual processes for collecting and reviewing the completeness and accuracy of student IBC data/records. Overall, the practice to purchase IBC vouchers in bulk was beneficial to the District, when campuses used the minimum number of vouchers to at least break even.

However, we found:

- Twenty (20) of 135 IBCs earned by students were not reported to the TEA. In addition, two (2) IBCs were reported to TEA in the incorrect PEIMS submission. According to the Director of CTE, "The IBC purchase, reporting, and reimbursement process is new to all Districts across Texas. During the 2020 and 2021 school years ... the pandemic hindered the development of strong collection and reporting processes that required input from multiple stakeholders within the District."
- Four (4) instances, at two (2) campuses, where it was not beneficial to purchase vouchers in bulk, which resulted in a loss of \$10,902.

In addition, we noted the following observation:

- Not all teachers who teach a course that leads to an IBC are trained in or have a high level of understanding of Eduthings. Eduthings is the system used by CTE teachers and the CTE Department to maintain pertinent information regarding IBCs before the data is transferred to Frontline and then reported to the state.

What We Recommend

Internal Audit made eight (8) recommendations to address the findings and observation reported. Recommendations include for the CTE Department to:

- Inquire with IT to determine if they can help automate the transfer of IBC data from Eduthings (or any other system used to store IBC data) into Frontline in order to minimize manual data entry and therefore reduce the risk of errors.
- Develop a data validation process for IBC data and incorporate it into their procedures. This process should include the comparison of data between Eduthings or the system used to store IBC data, Frontline, the PEIMS file, and the actual students' IBCs.
- Create written procedures for the entering (collecting) and managing of IBC data. These procedures should include instructions on using Eduthings or the system used to store IBC data. These procedures should be posted online to facilitate access for stakeholders. In addition, training should be provided to the appropriate District employees (including teachers).
- Require all IBC certificates or pertinent documentation be uploaded into a central location to facilitate the process of reviewing IBC data for completeness and accuracy before it is reported to TEA.
- Develop a process that entails communicating and coordinating with campuses when purchasing IBC exam vouchers in bulk.
- Work with School Leadership to ensure teachers encourage students to attempt IBC exams. This process could help support the Board's goal to increase the percentage of students successfully completing an IBC.
- Develop written procedures for teachers on how to use Eduthings or the system that will be used to enter and monitor IBC data.
- Provide training to teachers on these procedures. The training should include explaining the teachers' role in helping the District maintain complete and accurate IBC data in Eduthings or the system used to store IBC data.

Management's Response

Management and leadership agreed with the audit findings. District management and leadership submitted a Corrective Action Plan (CAP) outlining seven (7) activities to be implemented. All recommendations made by Internal Audit were incorporated into the CAP. The CAP appears to be sufficient to address the findings outlined in this report. Internal Audit will conduct follow-up reviews to validate CAP activities have been implemented.



Internal Audit Report

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Objective and Scope

The objectives of the audit were to determine:

- The completeness and accuracy of the Industry Based-Certification (IBC) PEIMS data reported to the Texas Education Agency (TEA) and,
- If the practice to purchase IBC vouchers in bulk was beneficial to the District.

The scope of the audit was IBCs earned between September 1, 2020, and May 31, 2021, and reported in the Public Education Information Management System (PEIMS) 2020-2021 Summer submission.

Results and Recommendations

The Career and Technical Education (CTE) Department has implemented manual processes for collecting and reviewing the completeness and accuracy of student IBC data/records. The CTE Department provided documentation to support that students, in our sample, successfully achieved the IBCs as reported to TEA. In addition, student transcripts in Frontline accurately reflected the IBCs students (in our sample) achieved. Nevertheless, we identified one (1) finding related to the completeness and accuracy of the IBC PEIMS data reported to TEA.

Overall, the practice to purchase IBC exam vouchers in bulk was beneficial to the District, when campuses used the minimum number of vouchers to at least break even. Two campuses took advantage of the Microsoft Office Specialist (MOS) exam vouchers purchased in bulk and saved the District approximately \$22,212 (refer to Table 1 for calculation). However, we identified four (4) instances among two campuses that did not take advantage of the bulk purchase, which resulted in a loss, as outlined in Finding 2.

Detailed findings and corresponding recommendations follow.

Table 1: Exam Voucher Cost and Use for the period of December 1, 2020 - December 15, 2021

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
School Name	Cost per vouchers in bulk ¹	Type of Certification ²	# of vouchers purchased in bulk	Useful period of vouchers	# of vouchers used as of 12/1/21	Cost if vouchers are purchased individually ²	Cost Savings obtained (G-B)
Coronado	\$3,744	MOS	500	12/1/20-12/3/21	162	\$14,580	\$10,836
Jefferson	\$3,744	MOS	500	12/1/20-12/3/21	168	\$15,120	\$11,376
Total			1,000		330		\$22,212

¹ Cost reflected does not include the cost of the license for practice tests.

² Per vendor, the cost of vouchers if purchased individually during this time period would be: \$90 for MOS.

Finding 1

The IBC PEIMS data reported by the District to the TEA for the 2021 Summer submission was incomplete and inaccurate.

We found the following data errors in the 2021 PEIMS Summer submission:

- 1.1 Twenty (20) of the 135 IBCs earned by students were not reported to TEA as required by TEA guidelines. The CTE staff explained the PEIMS reporting code for the IBC exam was incorrectly entered into Frontline and therefore excluded in the PEIMS data submission. Subsequently, the data has been corrected in Frontline and Eduthings.
 - The District may have lost out on reimbursement from TEA for eligible IBC exam fees. Students may earn several IBCs but districts may apply for reimbursement for only one passed IBC exam cost per student during their years in high school. Therefore, not all IBCs may result in a reimbursement to the District.
 - It is important the IBC data submitted in the PEIMS submission is complete and accurate so the District's accountability rating is based on complete and correct data.
- 1.2 Two (2) IBCs, earned by a student in June 2021, were incorrectly reported in the Summer PEIMS data submission. The CTE teacher explained they may have accidentally entered the data in Eduthings with an incorrect IBC test date. This resulted in the IBC test data being inaccurately reported in the Summer PEIMS submission rather than the Fall PEIMS submission. The TEA PEIMS reporting guidelines required that IBCs earned between September 1, 2020, through May 31, 2021, be submitted in the PEIMS Summer submission. Any IBCs earned between June 1, 2021, through August 31, 2021, should have been reported in the Fall PEIMS submission. The CTE Department staff explained the data has been corrected in Eduthings and Frontline.

The CTE department uses a manual process for tracking and managing IBC exam information. Manual processes carry a higher risk of human error and are an inefficient use of staff time. In addition, there are limited written procedures on IBC data entry to support the maintenance of complete and accurate IBC data.

According to the Director of CTE, "... in 2019-2020 TEA changed the PEIMS reporting and reimbursement guidelines for industry-based certifications under House Bill 3 (HB 3) industry-based certification (IBC) examination reimbursement, enacted by the 86th Legislature. The IBC purchase, reporting, and reimbursement process is new to all Districts across Texas. During the 2020 and 2021 school years...the pandemic hindered the development of strong collection and reporting processes that required input from multiple stakeholders within the District."

Recommendations

The CTE Department should:

- 1.1 Inquire with IT to determine if they can help automate the transfer of IBC data from Eduthings (or any other system used to store IBC data) into Frontline in order to minimize manual data entry to reduce the risks of errors.

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activity one (1).

Persons Responsible: CTE Director

Implementation Date: 12/16/22

- 1.2 Develop a data validation process for IBC data and incorporate it into their procedures. This process should include the comparison of data between

Eduthings or the system used to store IBC data, Frontline, the PEIMS file, and the actual students' IBCs. Data analysis should include:

- a. Comparing the number of records between files and researching any differences.
- b. Verifying the accuracy of the IBC date to include date on IBC certificate matches what is in the system, and the date of IBC exam falls within the correct PEIMS reporting submission.

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activity two (2).

Persons Responsible: CTE Director

Implementation Date: 10/14/22 and 5/12/22

- 1.3 Create written procedures for the entering (collecting) and managing of IBC data. These procedures should include instructions on using Eduthings or the system used to store IBC data. These procedures should be posted online to facilitate access for stakeholders. In addition, training should be provided to the appropriate employees (including teachers).

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activities three (3).

Persons Responsible: CTE Director

Implementation Date: 9/30/22

- 1.4 Require all IBC certificates or pertinent documentation be uploaded into a central location to facilitate the process of reviewing IBC data for completeness and accuracy before it is reported to TEA.

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activity four (4).

Persons Responsible: CTE Director

Implementation Date: 10/14/22

Finding 2

There were four (4) instances among two (2) campuses where it was not beneficial to purchase exam vouchers in bulk which resulted in a loss of \$10,902*

The practice to purchase IBC exam vouchers in bulk is beneficial to the District if planned strategically. When the minimum number of exam vouchers, to at least break even are used, the District is able to obtain cost savings. However, the District incurs a loss on the purchase if the minimum number of exam vouchers are not used. Within the scope period, there were four instances among two (2) campuses where the minimum amount of vouchers to break-even were not used. See Table 2 below for the cost and usage of exam vouchers purchased in bulk.

- According to CTE staff, CCTE used zero (0) Microsoft Office Specialist (MOS) exam vouchers during the scope period because the “teacher at CCTE was transferred to Franklin HS in April 2021, prior to testing his students in the MOS certification leaving the school with no one to fulfill this need.”

- Additionally, CTE staff explained that some students were not able to take IBC exams from home, during the pandemic, with their school-assigned device. Per CTE staff, some of the exams required a device with a Windows operating system and students use Apple devices.

Table 2: Exam Voucher Cost and Use for the period of December 1, 2020 - December 15, 2021

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
School Name	Cost per vouchers in bulk ¹	Type of Certification ²	# of vouchers purchased in bulk	Useful period of vouchers	# of vouchers used as of 12/1/21	Cost if vouchers are purchased individually ²	Loss due to non-usage (G-B)
Austin	\$3,744	MOS	500	12/1/20-12/3/21	7	\$630	\$(3,114)
CCTE	\$3,744	MOS	500	12/1/20-12/3/21	0	\$ -	\$(3,744)*
	\$5,928	ACA	1,000	12/15/20-12/15/21	7	\$531	\$(5,397)
	\$4,992	ACU	1,000	12/15/20-12/15/21	34	\$2,601	\$(2,391)
Total			3,000		48		\$(10,902)³

¹ Cost reflected does not include the cost of the license for practice tests.

² Per vendor, the cost of vouchers if purchased individually during this time period would be: \$90 for MOS, \$75.85 for Adobe Certified Associate (ACA), and \$76.50 for Autodesk Certified User (ACU).

* Not included in total loss amount as vendor agreed to extend the useful period for one more year. Potential total loss of \$14,646 if vendor had not given a one year extension on the use of the exam vouchers.

Per CTE staff, exam vouchers were purchased in bulk because it saves the District money and provide all students enrolled in CTE courses an opportunity to take an ICB exam. However, not all teachers require students attempt an IBC exam.

*During the audit, CTE staff was able to work with the vendor to extend the useful period for the MOS exam vouchers purchased in bulk, that were assigned to CCTE and, for which zero vouchers were used. The vouchers were then assigned to Andress High School. The vendor agreed to extend the period for one more year through March 8, 2023. As such, the loss associated with this purchase in bulk (\$3,744) was excluded from the calculated total loss due to non-usage.

Recommendations

The CTE Department should:

2.1 Develop a process that entails communicating and coordinating with campuses when purchasing IBC exam vouchers in bulk. Prior to purchasing IBC exam vouchers in bulk, the CTE Department should:

- Determine the minimum amount of exam vouchers needed to be used in order for the District to incur cost savings.
- Determine if reaching this number is feasible.
- Develop a process to ensure the minimum amount of vouchers is used.

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activity five (5).

Persons Responsible: CTE Director

Implementation Date: 9/30/22

- 2.2 Work with School Leadership to ensure teachers encourage students to attempt IBC exams. This process could help support the Board's goal to increase the percentage of students successfully completing an IBC.

Management and Leadership Response: Agreed with the recommendation and incorporated into the CAP as activity six (6).

Persons Responsible: CTE Director

Implementation Date: 10/7/22

Observation and Recommendations

While conducting this audit, we made an observation that does not violate local, state, or federal guidelines, and as such, was not included as a finding in the Audit Report. However, we felt the item observed was worthy of informing you as the data owner/expert, for you to determine how it should be addressed.

Observation 1

Not all teachers who teach a course that lead to an IBC are trained in or have a high level of understanding of Eduthings. Eduthings is the system used by CTE teachers and the CTE Department to maintain pertinent information regarding IBCs before the data is transferred to Frontline and then reported to the state.

If incomplete or inaccurate IBC data is entered into Eduthings, there is a risk that this data might be reported to the state as such. Currently, the CTE coordinator manages Eduthings by downloading the CTE course rosters into Eduthings and reviewing data entered by teachers. Teachers enter pertinent student information such as their name, identification number, PEIMS code and name of IBC exam, date exam taken, test outcome, and cost of the IBC. The CTE coordinator then uses the data entered in Eduthings to manually enter the data into Frontline. Prior to the PEIMS submission, CTE staff review the data for accuracy and completeness with reports provided by the PEIMS manager, the Analytics, Strategy, Assessment, and PEIMS Department, and any other resources that are needed to improve data quality.

Internal Audit sent out a survey to 257 teachers who taught a CTE course of which 111 (43%) teachers completed the survey. Out of the 111 teachers, 37 teachers indicated they taught a CTE course that may lead to an IBC. The survey was used to obtain insight on the District's IBC procedures, teachers' level of understanding of Eduthings, and if teachers received training on Eduthings.

Based on survey results:

- 49% of teachers indicated they had not received written procedures on using Eduthings,
- 35% of teachers indicated they had some level of understanding while 30% indicated they did not understand Eduthings,
- 46% of teachers indicated they had not received training on Eduthings

Recommendations

The CTE Department should:

1. Develop written procedures for teachers on how to use Eduthings or the system that will be used to enter and monitor IBC data.

2. Provide training to teachers on these procedures. The training should include explaining the teachers' role in helping the District maintain complete and accurate IBC data in Eduthings or the system used to store IBC data.

Management and Leadership Response: Agreed with the recommendations and incorporated into the CAP as activity seven (7).

Persons Responsible: CTE Director

Implementation Date: 8/1/22



Appendix A: Background and Methodology

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Background

House Bill 22 (85th Texas Legislature) “requires the Texas Education Agency to account for high school students who earn an industry-based certification as one indicator within the Student Achievement domain of the state’s public-school accountability system.” Earning IBCs represents learning industry-valued skills and preparation for in-demand careers, in the workforce or in postsecondary education. Students may earn more than one IBC; however, only one earned IBC is necessary to meet College, Career, and Military Readiness.

Districts may apply to the TEA for IBC exam reimbursement cost for only one passed certification exam per student during their high school career (ninth grade through graduation) through the PEIMS submission. School districts provide the TEA the information of students attaining IBCs through the PEIMS submission. The reporting schedule is listed below:

Date When IBC Was Earned	PEIMS Submission Report Requirement
September 1, 2020 and May 31, 2021	Summer submission
June 1, 2020 and August 31, 2020	Fall submission

The IBCs eligible for TEA accountability and reimbursement are listed in the *Industry-Based Certification List for Public School Accountability*.

The Career and Technical Education (CTE) IBCs Audit was approved by the Board of Trustees as part of the 2021-2022 Internal Audit Plan.

Methodology

To achieve our audit objective(s), we:

1. Researched relevant state laws and regulations, Board policies, and the department manual/guidelines.
2. Performed walkthroughs and interviewed CTE staff to obtain an understanding of the CTE Department’s administrative functions, operations, processes, and controls in place as it relates to Industry-Based Certifications.
3. Performed a risk assessment based on our understanding of the CTE IBCs collection/reporting process and controls in place.
4. Sent out a survey to CTE teachers who taught a CTE course that could lead to an IBC to obtain an understanding of the District’s IBC procedures and how the District provides training and communicates with teachers.
5. Obtained and analyzed the 2021 PEIMS Summer Submission for IBCs earned during the period of September 1, 2020 to May 31, 2021 and compared it to records in Frontline and Eduthings for any discrepancies.
6. Selected a representative sample of IBCs earned to determine if they had complete and accurate supporting documentation.
7. Obtained and analyzed the cost of vouchers purchased in bulk to determine if the practice of purchasing in bulk was beneficial to the district.

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 can obtain reasonable, but not absolute, assurance that procedures and internal controls are followed and adhered to in accordance with the federal, state, local policies, and guidelines.



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