

Campus Systems Audit: Hart Elementary School

Audit Plan Code: 23.01-02.A



Assurance | Insight | Objectivity

Final Report
April 13, 2023

Student attendance was recorded accurately for 16 of the 17 absences tested. 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

ADA	Average Daily Attendance
ASAP	Analytics, Strategy, Assessment & PEIMS
CAM	Campus Accounting Manual
EPISD	El Paso Independent School District
FASRG	Financial Accountability System Resource Guide
FSP	Foundation School Program
DV	Disbursement Voucher
IA	Internal Audit
NOA	Notice of Absence
PEIMS	Public Education Information Management System
REL	Religious Holy Day
RNN	Religious
SAAH	Student Attendance Accounting Handbook
TEA	Texas Education Agency
TEC	Texas Education Code
TIS	Technology Information Systems



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 have 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 December 12, 2022).

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, five (5) findings and three (3) observations were identified. The audit results are summarized below by objective.

1. Sixteen (16) of the 17 absences tested were recorded accurately. See Finding 1 for details on the test that identified the absence with an incorrect reason code. However, three instances were identified when attendance procedures were not followed as specified in the District's Attendance Procedures Manual. See Findings 2 and 3, and Observation 1 for details. Also, the release bell time per the school's bell schedule does not agree with the release bell time in Frontline. See Finding 4 for details.
2. There were instances where parents were not notified when the students had three or more unexcused absences within a four-week period. See Finding 5 for details.
3. There were instances of non-compliance with the Campus Accounting Manual as it relates to disbursements and bank reconciliations. See Observations 2 and 3 for details.

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 Hart Elementary School staff, Student and Parent Services, Student Retention and Truancy Prevention, Campus Accounting, Administrative Services, ASAP Department, Information Technology, and Treasury Services, who assisted in this audit, for their time.

Finding 1

One (1) absence tested did not have the correct reason code

The absence reason code used was REL (Religious Holy Day), yet the supporting documentation applies to the absence code RNN (Religious). The Attendance Clerk did not select the correct absence reason code based on the supporting documentation on hand. Per the Student Attendance Accounting Handbook (SAAH), "A student not actually on campus at the time attendance is taken may be considered in attendance for FSP purposes (i.e., not state reported) if the student...misses school for the purpose of observing religious holy days (REL)." However, absences with reason code RNN are not considered in attendance (i.e., state-reported) for Foundation School Program (FSP) purposes. As stated in the EPISD Attendance Procedures Manual under The Role of the Attendance Clerk, "Accuracy of attendance data is critical for...funding purposes..."

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

- Absence reason code "REL" should be used for a Religious Holy Day. The date must be identified on the list of holy days provided by Student and Parent Services. If the holy day is not on the list, a letter must be provided by the religious leader indicating that it is a holy day. The absence reason is considered excused and is not state reported.
- Reason code "RNN" should be used for prayer meetings, daily prayer, retreats, mission trips, or other appropriate religious activities. The absence reason is also considered excused but is state reported.

Principal's Response: "Possible reason – PEIMS made an error in coding selection. PEIMS clerk will check all codings before submitting. The principal will check codings more often."

Recommendations

- 1.1 The absence code should be corrected from REL to RNN.
- 1.2 The Attendance Clerk should revisit the supporting documentation requirements in the EPISD Attendance Absence Codes table for religious absence codes to avoid reoccurrences.
- 1.3 The Attendance Clerk should review absences with a reason code of REL and RNN in the current school year to confirm proper coding based on the supporting documentation.

Finding 2

The "Attendance not Taken" report was not on file for one of the three dates tested

The campus did not identify if any teachers had not taken attendance on August 16, 2022. If attendance is not taken, there is a risk a student(s) who was not on campus (during the attendance accounting period) may be inaccurately considered in attendance for FSP purposes. Based on Frontline records, the Attendance Clerk was absent; thus, s/he could not generate the "Attendance not Taken" report.

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 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: “The PEIMS Clerk may not have expressed to anyone that she would not be available. The responsibility will be assigned to principal secretary when the PEIMS is absent or not available.”

Recommendations

- 2.1 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.
- 2.2 The assigned clerk serving as backup for attendance must attend training on attendance procedures.

Finding 3

The Attendance Clerk is not providing the Principal written notice when teachers do not take attendance

The Attendance Clerk verbally, instead of in writing, informs the Principal when teachers do not take attendance consistently. There is no documentation of the effort to follow up with teachers who are not taking attendance consistently. Inaccurate attendance might impact funding for the District.

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. Remind the teacher(s) in writing. Run the report again at the end of the day. If this occurs on a consecutive basis and/or three times, notify your campus administrator in writing.”
- 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.”

The 2022-2023 SAAH Section 3 General Attendance Requirements 3.1 Responsibility states, “The teacher who initially records an absence is responsible for the accuracy of the report and attests to the validity of the data with his or her signature—or, in the case of a paperless attendance accounting system, with his or her entry of those data using the teacher’s logon with a distinct secret password.”

Principal’s Response: “The PEIMS notifies teachers verbally and in writing. At times, this is an inconsistent process. The principal will meet with PEIMS to notify of the new process:

1. Principal will be notified by email of any and all teachers not completing attendance.
2. Principal will email teacher of the issue.”

Recommendation

The Principal should (i) require the attendance clerk submit, in writing, the names of the teachers who do not take attendance consecutively on a periodic basis and (ii) follow up with those teachers. By doing this, the Principal can identify and address the reasons why teachers are not taking attendance daily (e.g., access issues, system issues, absenteeism, or non-compliance with attendance taking).

Finding 4

The campus release bell time disagrees with the bell schedule documented in Frontline

The release bell time (per the school's bell schedule) is 3:25 p.m. while the release bell time in Frontline is 3:00 p.m. The Principal submitted the bell schedule to management, to be entered in Frontline for the school year 2022-2023, indicating the release bell should be at 3:25 p.m. It is unclear why the correct time was not entered in Frontline.

The EPISD Attendance Procedures Manual under Beginning of the School Year Attendance states that the Attendance Clerk is responsible for verifying "...campus bell schedule and accounting period in the student system prior to the first day of school."

Note: No response was requested from the Principal. The finding was conveyed to management to obtain their feedback and plan to prevent reoccurrence.

Management's Response: Management is aware some schools' bell schedules do not agree with the information within a module in Frontline. Bell schedules submission and review process will be changing for next school year 2024-2025.

Recommendation

The Principal, in collaboration with School Leadership, should determine whether the release bell time in Frontline needs to be updated to be aligned with the school's release bell.

Finding 5

19 Notice of Absence letters were not sent to parents

From the three (3) students selected for our sample with three or more unexcused absences within a period of four weeks, a Notice of Absence (NOA) letter was not sent for two (2) students. The campus did not receive the NOA letters from the Student Retention and Truancy Prevention Department (Truancy); as such, the campus did not send letters to the students/parents. After sharing the testing results with Truancy, they identified that a total of 19 NOA letters, dated August 22, 2022, were not sent to either the campus or parents.

Truancy explained that in the fall of 2022, management determined the NOA letter verbiage should be modified. As such, from August 22, 2022, to October 21, 2022, NOA letters were not released to campuses and parents.

Truancy generated the NOA letters for the two students on August 22, 2022; however, they were not released to the campus or the parents due to the pending modification of the letter's verbiage. In Frontline, Truancy can generate one NOA letter per school year per student. Once a letter has been generated for a student, the student's name no longer appears in Frontline as needing a letter. Since the letters had already been generated on August 22, 2022, for the two students, Frontline did not identify the students as needing a letter after October 21, 2022.

By not sending the NOA letter to inform students/parents about unexcused absences, the District does not comply with the Texas Education Code 25.085(g),

which states, "After the third unexcused absence of a person described by Subsection (e), a school district shall issue a warning letter to the person that states the person's enrollment may be revoked for the remainder of the school year if the person has more than five unexcused absences in a semester. "

Note: No response was requested from the Principal. The finding was conveyed to management/leadership to obtain their feedback and plan to prevent reoccurrence.

Management's Response: "At the request of Alpha, the TIS department has now made it possible to run an accurate NOA on any student in the district at any time...All feeder patterns were examined to be certain the appropriate letters went out...Alpha Team training occurred targeting NOA accuracy and distribution processes."

Recommendations

- 5.1 The Principal should follow up with Truancy to issue the 19 NOA letters, including the two students/parents identified in our audit, if not done already.
- 5.2 Truancy should evaluate whether there are other instances of NOA letters that need to be sent because they were not released during the period the letter's verbiage was being modified, if not done already.

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 Attendance Clerk did not run the 'ATTV03 Student Absent on 1st Day of Enrollment' report on the 1st day of school. However, rosters with notes from teachers indicating "no shows" were collected on the 1st day of school.

The EPISD Attendance Procedures Manual under –

- Daily Procedures states, "Run the Student Absent on 1st day of Enrollment ATTV03 Report. Verify that entering students attend class during the accounting period on the first day of enrollment."
- Weekly Procedures states, "Generate the following reports on Friday of each week on a weekly basis to verify that there are no students with missing schedules or with an out during the accounting period...Update as necessary... Student Absent on 1st Day of Enrollment ATTV03."

Principal's Response: "PEIMS Clerk did not complete the proper procedures. The principal will remind and meet with PEIMS on first day to ensure this process is completed correctly. The principal will expect the PEIMS to provide a copy of the report to principal on that day."

Recommendation

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

Observation 2

One of the two disbursement vouchers (DV) tested was not approved by the Principal. However, the principal did sign the check for the disbursement. Both the DV and check were dated September 12, 2022.

The EPISD Campus Accounting Manual under Section 11.4 Campus Disbursement Voucher (DV) states, "Approval Section... The principal and sponsor/requestor are required to sign and date the top portion of the DV. This is an important task that lends credibility to the process. This task should not be delegated to the campus financial clerk."

Principal's Response: "Secretary did not provide the voucher to principal. Secretary will provide principal with any and all vouchers for approval. Principal will meet weekly with secretary to ensure all documents are signed and approved."

Recommendation

The Principal should review disbursement vouchers for approval and document their approval by signing and dating the corresponding section.

Observation 3

Two out of the three bank reconciliations tested were submitted one day after the Campus Accounting deadline.

The EPISD Campus Accounting Manual under 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: "Secretary is new to the role. Secretary will continue to ask for support from campus and district personnel. Principal will check in weekly with secretary."

Recommendation

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



Appendix A: Background and Methodology

ASSURANCE • INSIGHT • OBJECTIVITY

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 Hart Elementary School's 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. ¹ 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.² The financial clerk and principal are responsible for managing campus activity funds. The principal is responsible for approving disbursements from campus activity funds.

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.

¹ Texas Association of School Boards School Legal Services, Activity Funds

² Board Policy CFD (Local) Accounting: Activity Funds Management



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