

DELAWARE COLLEGE PREPARATORY ACADEMY

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING
AGREED-UPON PROCEDURES**

**STUDENT ACCOUNTING AND ENROLLMENT AS
OF SEPTEMBER 30, 2011**

Report Issued: March 13, 2012

B E L F I N T

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CERTIFIED PUBLIC ACCOUNTANTS



CERTIFIED
PUBLIC
ACCOUNTANTS
& CONSULTANTS

1011 CENTRE ROAD
SUITE 310
WILMINGTON,
DE 19805
T: 302.225.0600
F: 302.225.0625
WWW.BELFINT.COM

Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Lillian M. Lowery, Ed.D.
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19901

Howard Johnson
Executive Director
Delaware College Preparatory
Academy
510 West 28th Street
Wilmington, DE 19802

Dear Secretary Lowery and Mr. Johnson:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Delaware College Preparatory Academy (School) solely to assist you, the specified parties, in evaluating the compliance and effectiveness of the School's internal control over compliance with *Delaware Administrative Code*, Title 14, Subsections 525, 701, and 925. Procedures were performed for student accounting and enrollment as of September 30, 2011. Management is responsible for the School's internal control over compliance with the requirements related to the above areas.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

STUDENT ENROLLMENT

Agreed-Upon Procedure Number 1: Determine if the School's policies and procedures for preparing, reviewing and reporting the September 30 student count are adequate.

Criteria

The State of Delaware *Budget and Accounting Policy Manual* states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Further, the manual states, "A well-designed system of controls must include written policies

Agreed-Upon Procedure Number 1-continued:

Criteria-continued

and procedures to ensure that each control objective is met.” State of Delaware regulations provide guidance on processes it considers necessary for adequate written internal controls over preparing, reviewing and reporting the September 30 student count. Additional guidance is outlined in the DOE’s *Instructions for Unit Count Reporting in eSchoolPlus* dated July 2011, and the *2011 Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30th Enrollment and Unit Computation*.

Condition

We obtained the School's written policies and procedures regarding the September 30 student count. Our review determined that the necessary processes identified by the State of Delaware are included in the School's written policies and procedures.

DOE’s *Instructions for Unit Count Reporting in eSchoolPlus* requires each building administrator within a Charter School to generate, print, verify, sign and maintain in their September 30 audit file a Full Student Attendance Register Report. Our procedures determined that the building administrator failed to print and sign their schools’ Full Student Attendance Register Report.

Cause

School oversight and a lack of awareness of DOE’s policies and procedures resulted in the above condition.

Effect

The School did not maintain an audit file meeting DOE requirements.

Recommendation: It is our recommendation the School implement a monitoring process to ensure the School has followed the DOE’s requirements for reporting and documenting September 30 enrollment figures.

School Response: The School currently has a policy and procedure manual for preparing and reviewing the September 30 student count. The signature that was required by the Head of School on the Full Student Register Report was overlooked. The School will review the procedure against DOE’s *Instructions for Unit Count Reporting in eSchoolPlus* document and add a checklist to ensure all requirements are completed.

Agreed-Upon Procedure Number 2: Determine if the School properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

Agreed-Upon Procedure Number 2-continued:

Criteria

Delaware Administrative Code, Title 14, Chapter 700, Subsection 701 entitled “Unit Count” mandates each school to assemble a comprehensive enrollment file that contains all necessary support materials to substantiate the enrollments reported. For students not in attendance at school during the last 10 school days of September during which students are required to be in attendance, specific information shall be on file to substantiate their inclusion in the enrollment count.

Condition

We obtained documentation from the School including attendance registers and other support to determine if students were properly included in or excluded from enrollment figures reported to the DOE. Our procedures found the School incorrectly reported one second grade student as a first grade student.

Cause

The School failed to properly review enrollment figures and ensure all reported students met the reporting requirements as stated in *Delaware Administrative Code*, Title 14, Chapter 700, Subsection 701 entitled “Unit Count.”

Effect

The School improperly reported enrollment figures to the DOE. The School’s improper reporting resulted in no disallowed students and as a result, no unit or dollar impact was determined.

Recommendation: It is our recommendation the School thoroughly reviews its unit count policies and procedures to reduce the risk of future noncompliance.

School Response: The School reviewed the September 30 student count; however, there was a student who did not rollover properly at the end of the 2010 - 2011 school year. This was identified and corrected after the September 30 student count but before the agreed-upon procedures took place. The School’s September 30 needs based unit count numbers were adjusted accordingly and submitted to the DOE during November 2011.

Agreed-Upon Procedure Number 3: Select ten percent (10%) or a minimum of five “Individualized Education Program” (IEP) files at the School to verify that each file contains the required documentation in accordance with the DOE’s Special Education Regulations 922-929. Calculate the dollar impact of disallowed students, if applicable.

Criteria

Delaware Administrative Code, Title 14, Chapter 900, Subsection 925 entitled “Children with Disabilities Subpart D, Evaluations, Eligibility Determination, Individualized Education Programs”

Agreed-Upon Procedure Number 3-continued:

Condition

We selected one IEP file. This file represented the entire September 30 student count IEP population. That file contained the required documentation in accordance with *Delaware Administrative Code*, Title 14, Chapter 900, Subsection 925.

Agreed-Upon Procedure Number 4: Select ten percent (10%) or a minimum of five students enrolled in the Cooperative Education and Diversified Education Programs and confirm that the students' files contain the required documentation in accordance with the DOE's Administrative Directives. Calculate the dollar impact of disallowed students, if applicable.

Criteria

Delaware Administrative Code, Title 14, Chapter 500, Subsection 525 entitled "Requirements for Career and Technical Education Programs"

Condition

The School did not provide Cooperative Education or Diversified Education Programs during the September 30 student count; therefore, these procedures were not applicable.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited. This report, as required by statute, was provided to the Office of Auditor of Accounts, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, the Department of Finance, and the Office of the State Treasurer.

Belfint, Lyons & Shuman, P.A.

January 19, 2012
Wilmington, Delaware

Distribution of Report

Copies of this report have been distributed to the following public officials:

Executive Branch

The Honorable Jack A. Markell, Governor, State of Delaware
The Honorable Thomas J. Cook, Secretary, Department of Finance
The Honorable Ann S. Visalli, Director, Office of Management and Budget
Mr. Kristopher Knight, Director, Division of Accounting, Department of Finance
The Honorable Lillian Lowery, Ed.D., Secretary, Department of Education
Ms. Karen Field Rogers, Associate Secretary, Financial Reform and Resource Management, Department of Education
Mr. Robert Czeizinger, Director, Technology Resources and Data Development, Department of Education
Ms. Emily Falcon, Director, Financial Reform and Resource Management, Department of Education

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable R. Thomas Wagner, Jr., State Auditor, Office of Auditor of Accounts
The Honorable Joseph R. Biden, III, Attorney General, Office of the Attorney General
The Honorable Chipman Flowers, Jr., Esq., Treasurer, Office of the State Treasurer

Other

Ms. Yardise Jones, President, Delaware College Preparatory Academy Board of Directors
Mr. Cyd Gaskins, Vice President, Delaware College Preparatory Academy Board of Directors
Mr. Howard Johnson, Executive Director, Delaware College Preparatory Academy

This report can be accessed online through the Auditor of Accounts (AOA) website at <http://auditor.delaware.gov>.