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# Audit Report

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Monroe 2 – Orleans  
Board of Cooperative Educational Services

For the Period

July 1, 1999 through June 30, 2000

BOC-0701-1

January 27, 2003

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**The University of the State of New York**  
**THE STATE EDUCATION DEPARTMENT**  
**Office of Audit Services**  
**Albany, New York 12234**





THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

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January 27, 2003

Mr. Daniel Cole  
Board President  
Monroe 2-Orleans BOCES  
3599 Big Ridge Road  
Spencerport, New York 14559

Dear Mr. Cole:

The following is our final audit report (BOC-0701-1) of the Monroe 2-Orleans BOCES for the period July 1, 1999 through June 30, 2000. The audit was conducted pursuant to Sections 305 and 1950 of the Education Law in pursuit of Goal #5 of the Board of Regents/State Education Department Strategic Plan: "Resources under our care will be used or maintained in the public interest."

It is the policy of the State Education Department to consider for review matters of significant disagreement which result from the issuance of a final audit report. Appendix C describes the process to be followed in the event of such disagreement.

Ninety days from the issuance of this report, BOCES officials will be asked to submit a report on actions taken as a result of this audit. I appreciate the cooperation and courtesies extended to the staff during the audit.

Sincerely,

Daniel Tworek

Enclosure

cc: Commissioner Mills, R. Cate, J. Kadamus, B. Porter, T. Sheldon, G. Smith, B. Stambler, J. Stevens, C. Szuberla, C. Foster (DOB), J. Dougherty (OSC), C. Tod Eagle, District Superintendent

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# Executive Summary

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Monroe 2-Orleans BOCES ranked as the 18th largest BOCES in the State, in terms of total general fund expenditures, for the 2000-01 school year.

## **Background and Scope of the Audit**

The audit examined management practices, records and documentation related to summarizing and reporting data used in the 1999-2000 BOCES Report Card and the Chapter 602 Report for the period July 1, 1999 through June 30, 2000. The Employment Preparation Education (EPE) Program was reviewed for the July 1, 1999 through June 30, 2000 school year. This audit also followed up on findings and recommendations from the previous audit (BOC-0896-1). The objectives were to: evaluate the adequacy of management controls over data reported to the Department and obtain reasonable assurance that the data are valid and reliable; determine how BOCES use data to monitor the performance of the schools within its supervisory district; determine how BOCES use data to monitor student outcomes; and evaluate the wide ranges of costs identified in the Chapter 602 Report and understand the reasons for the variances.

## **Audit Results**

Presented below is a summary of the significant audit findings developed in response to the audit's objectives.

- Monroe 2-Orleans BOCES needs to transmit the Report Card to local newspapers (pages 3-4).
- Monroe 2-Orleans BOCES can improve the methodology used to report special education class tuition rates. (pages 5-7).
- EPE contact hours were overstated by 13,980 which represents \$27,397 in ineligible aid (page 8).
- Procedures for documenting EPE contact hours can be improved (pages 8-14).

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# Introduction

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## Background

Public and legislative attention has been turned to data provided by Boards of Cooperative Educational Services (BOCES) and school districts with the issuance of Report Cards. Chapter 436 of the Laws of 1997 made BOCES Report Cards available to the public on April 16, 1999. Graphically presented, the Report Cards summarize program accomplishments and services BOCES provide for children and adults.

In addition, Chapter 602 of the Laws of 1994 added Section 215-b to the Education Law to require the Commissioner of Education to prepare and submit to the Governor, the President Pro Tem of the Senate, and the Speaker of the Assembly, an annual report beginning January 1, 1996. The Chapter 602 Report details certain financial and statistical outcomes of BOCES, tuition costs for selected programs, per pupil cost information, and aggregate expenditure data for BOCES' administrative, capital, and service functions. The Chapter 602 Report also includes changes from the year previous to the report year for all data.

BOCES are organized under Section 1950 of the Education Law. Chapter 474 of the Laws of 1996 amended Section 305 of the Education Law to require the New York State Education Department (Department) to perform fiscal audits of BOCES at least once every three years.

Monroe 2-Orleans BOCES is headquartered in Spencerport, New York and serves nine component districts which have enrollments of more than 48,000 students. Monroe 2-Orleans BOCES ranked 18th largest in the State, in terms of total fund expenditures, for the 2000-01 school year.

## Objective, Scope and Methodology

Pursuant to Sections 305 and 1950 of the Education Law, we audited management practices, records, and documentation related to the data contained in the 1999-2000 BOCES Report Card and the Chapter 602 Report for the period July 1, 1999 through June 30, 2000, and we followed up on the status of previous recommendations made in audit report number BOC-0896-1. We also reviewed the Employment Preparation Education (EPE) Program for the period July 1, 1999 through

June 30, 2000. The objectives were to:

- evaluate the adequacy of management controls over data reported to the Department and obtain reasonable assurance that the data are valid and reliable.
- determine how BOCES use data to monitor the performance of the schools within its supervisory district.
- determine how BOCES use data to monitor student outcomes.
- evaluate the wide range of costs identified in the Chapter 602 Report and understand the reasons for the variances.
- determine if EPE claims are adequately documented.
- follow up on the findings and recommendations from the previous audit to determine whether timely and adequate corrective actions were implemented.

To accomplish our objectives, we reviewed applicable laws, regulations, policies and procedures; interviewed Department and BOCES' management and staff; examined records and supporting documentation; sampled transactions on a non-statistical basis; and reviewed Monroe 2-Orleans BOCES' audited financial statements.

We conducted the audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting records and applying other audit procedures considered necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that the audit provides a reasonable basis for our findings, conclusions, and recommendations.

## **Comments of Monroe 2-Orleans BOCES Officials**

Monroe 2-Orleans BOCES officials generally agreed with the matters contained in this report and their comments have been included where appropriate. They requested that their written response to the preliminary audit findings be included as Appendix B to this report.

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# Report Card

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The Report Cards, required by Chapter 436 of the Laws of 1997, were made available to the public on April 16, 1999. Graphically presented, the Report Cards summarize program accomplishments and services BOCES provide for children and adults. They are intended to be used as a tool for the continuous improvement of BOCES programs and services and for providing information to communities.

The Report Card displays the following programs and services: Career/Occupational Education, Alternative Education, Adult Education, Special Education, Curriculum and Professional Development, Technology, the State Testing Program, and the 1997-98 Expended Budget. The State Testing figures are provided by the Department, not BOCES, so those figures were not included in the scope of the audit.

An objective of this audit was to determine the accuracy of the Report Card data and the adequacy of the supporting documentation. Overall, the Report Card data were reasonably accurate.

## Report Card Dissemination

Beginning with the Report Card for the 1997-98 school year, the board of cooperative educational services (BOCES)... "shall make it publicly available by transmitting it to local newspapers of general circulation, appending it to copies of the proposed administrative budget made publicly available as required by law, making it available for distribution at the annual meeting, and otherwise disseminating it as required by the commissioner." Education Law Section 1950.4.kk.

Monroe 2-Orleans BOCES officials did not transmit their Report Card to local newspapers of general circulation and, therefore, are not in compliance with Education Law Section 1950.4.kk. Monroe 2-Orleans BOCES officials agree that the Report Card was not transmitted to local newspapers as they were unaware of this requirement. They state it will be transmitted in the future.

## Recommendation

1. Ensure the BOCES Report Card is transmitted to the local newspaper.

## **Comments of Monroe 2-Orleans BOCES Officials**

Monroe 2-Orleans BOCES officials concur with this recommendation.

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# Chapter 602 Report

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Chapter 602 of the Laws of 1994 added Section 215-b to the Education Law to require the Commissioner of Education to prepare and submit to the Governor, the President Pro Tem of the Senate, and the Speaker of the Assembly, an annual report beginning January 1, 1996. The report is also provided to all school districts and BOCES.

The report details certain financial and statistical outcomes of BOCES, tuition costs for selected programs, per pupil cost information, and aggregate expenditure data for BOCES administrative, capital, and service functions. In accordance with the statute, the report is to include changes from the year prior to the report year for all data.

The report is compiled by the Department's BOCES and School District Organization (BSDO) unit. The information used by BSDO comes primarily from the SA-111 and "Data Collection Forms" submitted by the BOCES.

## Report Accuracy and Documentation

An objective of this audit was to determine the accuracy of the Chapter 602 Report data and the adequacy of the supporting documentation. The audit tested the Special Education - Related Services Section and determined the tuition rates were inaccurate.

### *Special Education Section:*

Monroe 2-Orleans BOCES submits Data Collection Forms to the Department for the Chapter 602 Report. These forms specify the programs and the Criteria-Guideline numbers to be used for these programs when filling out the forms. However, Monroe 2-Orleans BOCES understated the tuition by including the refund in the net expenditures.

The Department requested information on the following programs:

Data Requested on the Data Collection Forms		
Programs	Criteria-Guidelines	Class Type
Special Class Option II	4220	12:1:1
Special Class Option III	4230	6:1:1
Special Class Option IV	4240	12:1:3

– Special Class Option II

Monroe 2-Orleans BOCES' methodology calculated a tuition rate of \$12,873. The audit calculation was \$13,999. Since Monroe 2-Orleans BOCES started its calculation using the overall costs and not the revenues, the subtraction of the surplus caused an understatement of the tuition. Monroe 2-Orleans BOCES correctly excluded related services but did not subtract the miscellaneous revenues. The audit added back the surpluses and subtracted the miscellaneous revenues.

– Special Class Option III

Monroe 2-Orleans BOCES' methodology calculated a tuition rate of \$12,915, which included Criteria-Guideline 4235. The audit calculated \$13,647. In addition to the methodology explained above, the audit did not include Criteria-Guideline 4235, which is not reportable for the Chapter 602 Report.

– Special Class Option IV

Monroe 2-Orleans BOCES' methodology calculated a tuition rate of \$19,180 compared to the audit calculation of \$19,636. The methodology was the same as for Option II.

The tuition rates for the special education options reported in the Chapter 602 Report for Monroe 2-Orleans BOCES are understated. Inaccurate tuition rates do not allow for meaningful comparisons among the BOCES.

Monroe 2-Orleans BOCES officials agree that the surplus should not have been subtracted from the net expenses to determine the Special Education Program Tuition Per Pupil for 1999-2000 for each option. They state the confusion came from the Chapter 602 Report Schedule B instructions which state "Subtract any refunds/surplus before calculating the rate."

## **Recommendation**

2. Ensure special education class tuition rates are calculated using the correct methodology.

## **Auditor's Note**

See Schedules A, B, and C for tables showing the audit

calculations for the special education classes.

## **Comments of Monroe 2-Orleans BOCES Officials**

Monroe 2-Orleans BOCES officials concur with this recommendation.

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# Employment Preparation Education (EPE)

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Monroe 2-Orleans BOCES operates an EPE Program. This categorical aid program serves students 21 years of age or older who have not received a high school or equivalency diploma.

Part 168.4 of the Regulations of the Commissioner of Education (Regulations) states that EPE Program funds may be spent for personal services, employee benefits, equipment, supplies and materials, contractual services, travel expenditures, staff development and training, and other expenditures approved by the Commissioner. These expenditures are to be used only for EPE Program purposes.

Monroe 2-Orleans BOCES received a total of \$1,099,751 in EPE aid for the period July 1, 1999 through June 30, 2000, based on reported contact hours. Education Law Section 3602 states that when total revenue received exceeds the entire cost of such program, State aid payable in the following year will be reduced by the amount of such excess. This means that Monroe 2-Orleans BOCES must refund the larger of revenues disallowed or expenditures disallowed, but not both. The audit report will be used by the Department to adjust future aid received by Monroe 2-Orleans BOCES.

The audit found that Monroe 2-Orleans BOCES could not adequately support 13,980 contact hours for \$62,629 in EPE Aid. However, as shown on Schedule 1, the EPE expenditures exceeded revenue by \$35,232. Therefore, Monroe 2-Orleans BOCES only has to repay \$27,397 in EPE aid.

## **Policies and Procedures Manual**

Good business practice dictates that written policies and procedures be adopted for those services which are not covered by other general policies and procedures. This is especially true when there are specific requirements for providing these services and documenting that these services were provided.

These written policies and procedures would incorporate any laws, regulations, and manuals or other guidelines issued by the organization with oversight authority, the Department, as well as any policies and procedures that may be unique to the Department as they relate to these services.

The purpose of these written policies and procedures is to provide guidance to an organization's staff to ensure that any laws, regulations, and manuals or other guidelines issued by the organization with oversight authority are adhered to.

Monroe 2-Orleans BOCES does not have written policies and procedures established for all aspects of the EPE Program. Without adequate written policies and procedures, the employees providing EPE services and accounting for EPE services provided do not have clear guidance, which has led to EPE inaccuracies. In addition, there is less assurance that Monroe 2-Orleans BOCES is adhering to applicable laws, regulations, and manuals or other guidelines issued by the Department.

Monroe 2-Orleans BOCES officials state they are establishing a comprehensive policy manual based on the draft policy manual they received from the Department in February 2002. They have also established a training schedule to ensure all staff members involved with EPE programs are trained on appropriate procedures and are aware of the manual and its uses.

## **Student Folders**

Section 168.3 of the Regulations requires that every student in an EPE Program have an individual student folder that is easily accessible to the student and the teacher and includes information concerning registration, attendance, testing, and individual program needs. At a minimum, registration information must include the student's name, class attendance, the student's date of birth or age, and the student's diploma status. Since 1995-1996, each folder is required to contain an Individual Education and Employment Preparation Plan (IEEPP).

The audit reviewed 56 student folders from different EPE sites operated by Monroe 2-Orleans BOCES and found the following:

- 1.) In 15 of the student folders, there was no evidence of testing (such as TABE scores) to assess the student's academic grade level.
- 2.) Thirty-eight student folders did not contain any documentation describing the individual program needs of the student or an employment preparation plan for the student to follow.
- 3.) Diploma status was not noted in five folders. In two folders, there was no documentation indicating the student's age or

date of birth. Therefore, the related contact hours are not eligible. The total number of contact hours claimed for these students is 842, or \$3,772.16.

- 4.) In two instances, spouses were enrolled in the same program and Monroe 2-Orleans BOCES did not maintain separate folders or student logs for each spouse. The contact hours claimed for both were disallowed due to the lack of documentation indicating their diploma status in their folders. (Included in #3 above.)

Based on the above conditions, the audit disallowed 842 EPE contact hours, or \$3,772.16 based on the EPE rate of \$4.48. The EPE aid adjustment will be withheld from future EPE aid payments.

Monroe 2-Orleans BOCES officials state it is their policy to give the TABE test to all eligible students before enrolling them into the EPE Program. They have included this policy as part of their orientation process for new teachers and staff and established a new training schedule for all staff to reinforce this policy. One session has already been concluded. Additionally, they developed a new system of checks and balances for intake and assessment where supervisors check intake paperwork every two weeks.

Monroe 2-Orleans BOCES officials state they were not aware of the 1995 requirement for IEEPPS and do not believe that significant procedural requirements should be memo based for other than short term notices. The Department should formalize requirements in procedure documents.

Monroe 2-Orleans BOCES officials state they have included IEEPP information on their intake documentation and agree that they claimed contact hours for students who were ineligible for EPE aid. They also stated they usually maintain individual folders for every student enrolled in the EPE programs.

## **Contact Hours Claimed for Ineligible Students**

Education Law Section 3602.24.a states the EPE program is for persons 21 years of age or older who have not received a high school or equivalency diploma.

Monroe 2-Orleans BOCES claimed contact hours for several students who had not reached the age of 21 as of the beginning of the 1999-2000 school year, and for three students who had been

issued GEDs before or during the 1999-2000 school year, as summarized below.

EPE contact hours claimed for students less than 21 years of age	1,575.5
Audited contact hours: Hours generated after the student turned 21 years of age.	546.0
Audit adjustment in hours.	<u>1,029.5</u>
EPE contact hours claimed for students issued GEDs before or during 1999-2000	1,415.75
Audited hours (contact hours generated through eight weeks after student passed the GED).	1,058.5
Audit adjustment in hours.	<u>357.25</u>
Total adjustment in hours	<u>1,386.75</u>
EPE rate	<u>\$4.48</u>
Total EPE aid disallowed for ineligible students	<u><b>\$6,212.64</b></u>

Monroe 2-Orleans BOCES claimed contact hours for students that are not EPE-eligible. The total adjustment for students less than 21 years of age and students who were issued GEDs before or during 1999-2000 is \$6,213.

Monroe 2-Orleans BOCES officials agree that they claimed EPE contact hours for students under the age of 21 and for students who were issued a GED. They state that clerical errors were made in inputting birthdates and they were unaware that these students had completed their GEDs.

## Contact Hour Documentation

School districts and BOCES generate EPE aid by reporting contact hours and student enrollment on Forms SA-160.1 and SA-160.2, EPE State Aid Claim Form. Under Section 168.2 of the Regulations, a contact hour for EPE means 60 minutes of instruction given by a teacher in approved program component areas. The Department requires the number of reported contact hours to be clearly documented to ensure that EPE revenues paid to the districts or BOCES are appropriate. Any undocumented or overstated contact hours will be questioned upon audit and revenues will be reduced accordingly. The districts or BOCES must maintain classroom attendance rosters of all students who attend EPE programs.

The audit found that Monroe 2-Orleans BOCES' records did not

always adequately document EPE contact hours, resulting in Monroe 2-Orleans BOCES making errors when calculating EPE contact hours. The audit found the following for EPE program activities:

- **Life Management-Home Study.** A sample of 11 students was selected in the non-traditional Life Management - Home Study program for which 2,043 total hours were claimed. Of this amount, 1,167 hours were disallowed due to inadequate maintenance of student logs. Some student logs showed no indication of any contact beyond sending out the first packet to the student, yet Monroe 2-Orleans BOCES claimed 204 hours for one particular student. The disallowance of 1,167 hours means that 57 percent of the total contacts were disallowed from this sample. Based on this percentage, the audit expanded the sample to include at least 50 percent of the 9,713 hours claimed. An additional 3,059 hours were tested revealing 1,991 disallowed hours making an error rate of almost 65 percent.

#### Recap of Combined Samples

		Contact Hours
Original Submission		9,713
Hours disallowed on other findings		989
Hours to be sampled		8,724
Sample One	<u>2,043</u>	
Sample Two	<u>3,059</u>	
		5,102
Percent sampled	5102/9713	52.5
Questioned Hours		
Sample one	<u>1,167</u>	
Sample two	<u>1,991</u>	
Total Questioned Hours		3,158
Error rate in Sample	3158/8724	61.9
Error rate projected to Program population	.619X8724	5,400

With agreement from Monroe 2-Orleans BOCES, the audit projected this error rate to the total number of contact hours to establish what should be disallowed. The audit adjusted the disallowed hours to eliminate any duplication for students

who are disallowed for other reasons such as being under the age of 21 or no indication of diploma status. The disallowed contact hours totaled 5,400 hours and total EPE aid that should be returned to the Department is \$24,192, at the EPE rate of \$4.48.

- **GRASP.** The audit selected a sample from the list of GRASP students. The audit was told by Monroe 2-Orleans BOCES officials that none of the student logs from the GRASP program could be located. They were lost when they moved from one building to another. Monroe 2-Orleans BOCES claimed 5,341 contact hours, which computes to a disallowance of \$23,927.68. The audit disallowed all of the hours claimed in the GRASP Program.
- **Crossroads Café.** A sample of 29 students was selected for the Crossroads Café Program. Of the sample selected, Monroe 2-Orleans BOCES claimed 7,468 contact hours. The audit disallowed 916 hours. This calculates to a disallowance of \$4,103.68 at the EPE rate of \$4.48. Monroe 2-Orleans BOCES claimed 506 and 382 hours for two different students. The most that can be claimed for any student in a non-traditional program, such as Crossroads Café, is 312 contact hours in one year (6 hours per week multiplied by 52 weeks).
- **Connect with English.** A sample of five students was selected for the Connect with English class. Monroe 2-Orleans BOCES claimed 116 contact hours more than the student logs supported for four students and claimed 22 hours less than what the student logs supported for one student. The net adjustment is a disallowance of 94 hours, or \$421.12.

Because adequate documentation was not maintained in the student logs for the Life Management - Home Study program, and there were no student logs for the GRASP program, Monroe 2-Orleans BOCES is not in compliance with Department guidelines. Therefore, Monroe 2-Orleans BOCES and the Department have little assurance that EPE contact hours are being properly reported and claimed. EPE contact hours were reduced by 11,751 resulting in a disallowance of \$52,644.48 in EPE aid.

Monroe 2-Orleans BOCES officials agree that there were occasions when they did not always maintain adequate documentation in the student logs to support EPE contact hours claimed.

## *Program Approval Requirements*

Section 168.3 of the Regulations requires that each BOCES intending to operate an EPE Program submit to the Department a comprehensive plan of service application for approval.

Monroe 2-Orleans BOCES did not have prior Department approval to offer a citizenship program that was operating during the 1999-2000 school year. The first time that Monroe 2-Orleans BOCES obtained Department approval to offer citizenship was not until the 2000-01 school year. Monroe 2-Orleans BOCES claimed EPE aid for the citizenship program offered in the 1999-2000 school year in the amount of 257 hours, or \$1,151.36 at the EPE rate of \$4.48. The Office of Workforce Preparation has indicated that they would be willing to approve the program retroactively to eliminate any disallowance.

Monroe 2-Orleans BOCES officials believed they had received verbal approval to operate this program. They inadvertently overlooked the follow-up written approval and appreciate the retroactive approval. In the future, they will seek the Department's approval for all EPE programs and keep the approval on file.

## **Recommendations**

3. Establish a comprehensive policy manual.
4. Ensure all testing documentation and IEEPPs are included in student folders.
5. Ensure only eligible students' contact hours are claimed.
6. Ensure accurate data are reported to the Department.
7. Ensure all new programs have written approval.

## **Comments of Monroe 2-Orleans BOCES Officials**

Monroe 2-Orleans BOCES officials concur with these recommendations.

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# Data Collection and Use

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BOCES have been asked five questions regarding data collection and use. The questions are being asked to ascertain best practices that might be shared among the BOCES. Monroe 2-Orleans BOCES' response to the five questions is shown below. Please check to see if you want to make any changes.

## Questions from Auditors

### Staff Development

1. What data do you collect and how do you use the data to help component schools increase their performance within your supervisory district? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

Attendance of administrators/teachers from each district at staff development workshops. We give turnkey training and use a nationally known speaker series.

2. What data do you collect and how do you use them to help component schools improve student outcomes in your supervisory district? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

Compile charts and graphs from test data from the state, by building, by school, by district.

3. What data do you collect and how do you use them to improve BOCES student outcomes? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

N/A

4. How would you like to see the BOCES report cards changed, if possible? Do you think it fairly and accurately represents your BOCES' performance?

N/A

5. What data would you like to see added, or modified, if possible, in the Chapter 602 Report?

N/A

### Elementary Science Program

1. Data collected

- Length of time in the Elementary Science Program

Average number of kit titles used per grade level in each district and which units taught at each grade level

- NYSPET Grade 4 District Quartile Placement
- NYSPET Grade 4 Rankings of Similar Schools

How used

- Meet with districts to assess program and make recommendations (scope and sequence)
- Select teacher training workshops that are needed to improve overall performance

Specific data used - See “Data Collected” above

Where data is obtained

- Length of time in the ESP and average number of kit titles used per grade level in each district — obtained from records at the ESP
- NYSPET Grade 4 District Quartile Placement and Quartile Rankings of Similar Schools- obtained from the New York State Education Department

Other data desired

How often, and for how long, elementary science is taught in each district

Percentage of teachers trained on each unit

2. Data collected

- Same as #1

How used

- Same as #1
- Develop AIS program based on collected data as requested by district

Specific data used

- Same as #1

Where data is obtained

- Same as #1

Other data desired

- Analysis of each question on the NYSPET Grade 4 by district

3. NA.

4. There are no suggestions at this time.

Yes

5. All right, as is.

## Special Education

1. Please refer to question # 3. Our collection and use of data focuses on students for whom we provide direct services.
2. Please refer to question # 3. Our collection and use of data focuses on students for whom we provide direct services.
3. Data Collected/Sources
  - a. NYS 4, 8 and Regents Assessment Results; Access through SED and BOCES 2 Test Scoring Service.
  - b. Regents Competency Exams; Access through SED and student records
  - c. Tests of Technical Quality (ex. Test of New York State Standards) Access through SED and student records
  - d. Curriculum Embedded Assessments (ex. Early Literacy Assessments, running reading records) ; Access through student records.
  - e. Annual multi-disciplinary evaluations (ex. Psychological Testing, Speech/Language Assessments); Access data from IEP's/Annual Reviews
  - f. Alternate Assessments through datafolio; new SED Assessment in process; Access through SED and student records
  - g. As part of our Department's Strategic Plan, the following data is collected:
    1. Attendance; accessed through student records
    2. Suspensions; accessed through program, student records
    3. Percentages of students receiving local/regents/IEP Diplomas; accessed through Part 200 Data Base
    4. In process of establishing system to gather post school placement data.
    - h. Enrollment Data is all programs is updated on a monthly basis to look for trends and assist in program planning; accessed through Part 200 System.
    - i. IEP/Annual Review Performance Data; Accessed through student records and Part 200 Management System (See comment section below)

Comment: The data listed above is analyzed and utilized in the development of an IEP (Individualized Educational Program) which summarizes the present levels of performance for each student in the areas of Academic Achievement, Social Development, Physical Development and Management Needs. In addition, transition plans are established focusing desired post-school outcomes for students. For each of these developmental areas, specific goals and objectives are established and assessed on at least a quarterly basis. At the completion of the school year, an Annual Review is conducted with the component school district Committee on Special Education which is a thorough evaluation of student strengths and needs supported by data and observations. Based on this review, necessary modifications to the program and services are made and new goals and objectives are established.

Desired Data: Would like more efficient acquisition of NYS Assessment results for BOCES enrolled students. Isolating specific BOCES data from overall District performance data is a systemic challenge at this time

4. Would prefer more qualitative data be emphasized on BOCES Report Card such as results on Standardized Assessments and actual post school placement information benchmark on like BOCES. Enrollment data is interesting but doesn't speak to performance. Tuition data is not really descriptive of cost effectiveness due to the variability of services covered in tuitions; post secondary plans of students are plans but not actual outcomes. Diploma data, and number of integrated sites in the current Report Card is of a more qualitative nature and should remain in the Report Card, preferably benchmark with like BOCES.

5. 602 special education tuition data excludes related services which are a major component of programming within the BOCES. Putting all costs into the equation gives a more realistic picture of the structure and comprehensives of these programs.

**Business Office: Only question answered was # 5**

Performance question # 5. - I would like to see Schedule F of the 602 Report deleted. It is for Substitute Coordination which for us is a very small program with annual expenditures of \$14,000.

**Communication and Technology Services replies:**

1. What data do you collect and how do you use the data to help component schools increase their performance within your supervisory district? What specific data do you use?

A. The school library system specifically collects the following data:

- Number of materials borrowed and loaned
- Number of holdings each member library contributes to our union catalog
- Total number of searches by participating libraries
- Number of libraries with phones in the library
- Number of libraries with fax machines
- Number of libraries with at least one computer with internet access
- Number of staff development workshops and number of attendees
- Number of volumes purchased with SLS
- Operating budget for cooperative collection development

Other CaTS departments collect feedback data relative to how the service provided was used, how effective/useful was the service, how could the service be more useful/tailored, how cost effective was the service. Data collected now on these services: Administrative Training, Administrative computer Services, Guidance Information, Distributed Technician support, Audio Visual Repair, LAN Installation Support, Library Automation Software support, Instructional Computing, Distance Learning.

1a. Where do you obtain the data?

A. From the administrators and staff of the area the service is being provided to.

The data also comes from participating libraries and information from SLS and Library Automation

staff. This year, we will be collecting data from libraries concerning the number of remote searches done using the professional database the school library system is funding for all members. Data will be supplied by vendor.

The school library system additionally assists member libraries In providing enhanced electronic services to students and teachers. The school library system enhances the skills of library staff through staff development to better serve their school community.

1b. Are there any other data you wish you had?

A. School Library System would like to see data on:

- ◆ Number of support staff in libraries
- ◆ School library budgets
- ◆ Number of elementary libraries with flexible scheduling

2. What data do you collect and how do you use them to help component schools improve student outcomes in your supervisory district? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

A. Not applicable for CaTS

3. What data do you collect and how do you use them to improve BOCES student outcomes? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

A. Not applicable for CaTS

4. How would you like to see the BOCES report cards changed, if possible? Do you think it fairly and accurately represents your BOCES' performance?

A. Not really, because districts often select services to be used and dropped based on the economical state of their district budget. When the real At Risks are explained to districts making a decision to drop a service, we are often told "Thank you. We have to cut costs wherever we can to meet the budget target. These services are not mandatory; we will request the service back when dollars become available".

5. What data would you like to see added, deleted or modified, if possible, in the Chapter 602 Report?

A. Test Scoring services, Pre-Press & Printing services, Distributed Instructional Technology Coordinator/Trainers,

### **From Career and Technical Education**

1. The following data is collected on a continuous basis during the course of the year and reported back to the school district to assist us in increasing the performance at the Career and

Technical Education. Types of data that are collected are as follows

- The attendance in the AM. and the P.M. are reported to the school district on a daily basis.
- A five week attendance is reported on a spread sheet to our school districts over each five weeks during the 40 week period so they can see their percentage of attendance each of these five periods. They also receive a summary at the end of the year and a total identifying theft percentage of attendance both in the morning and the afternoon sessions of their students.
- Teachers receive a personalized graph of their attendance every five weeks and with benchmark 93%. This is to inform them of progress over a period of time. Each five weeks this graph is updated. Teachers use this to post within the classroom and used to talk with parents where that have students with attention deficiency.
- Student's Career and technical Education competencies are recorded and reviewed with teachers, counseling staff and representatives of a local school district on a quarterly basis. Those students who are found to be deficient and not meeting competencies, individual plans are developed for the balance of the school year. To ensure students success, schedules are changed and modified to meet students needs. In relationship for the length of time, students are to participate in Career and Technical Education. IEP students may take two years to complete a one-year course.
- Student's grades, attendance and progress comments are sent to the school districts on a quarterly basis to appear on student individual report cards at their home schools
- Individual course grades are graphed. Their career major grades are graphed and their school wide grades are graphed and posted. While performing courses are reviewed on a quarterly basis with the building principal, counseling staff and academic support.
- Enrollment student registration and administrative reports are generated on a monthly basis. The major reports are developed for the October 1St enrollment, April 1~ enrollment and the August enrollment. As we look at continuation or expansion of Career and Technical Education course offering. Student enrollment by course is monitored each month to determine consistency and continuity of program.
- The data is collected on a monthly basis of students that have dropped their Career and Technical Education program and the reasons why. This information is put into report form at the end of the first semester in January as well as the end of June. This information is reported to the local school districts and reviewed by the capitol of the school district and advisory council.
- The number of classified and 504 students enrollment per Career and Technical Education programs are monitored on a monthly basis and reported to the local school districts to determine whether additional support services is needed and any of the Career and Technical Education offerings.
- The graduate follow up report is developed on a annual basis and reported to our Career and Technical Advisory council, local legislatures, boards of education, districts boards of education, superintendents, assistant superintendents and building principles.
- The Career and Technical Education Center charts and graphs and enrollment and tuition unit cost comparisons within this guaranteed area. This year fits the local Career and Technical Education advisory council, district superintendent, superintendents of school districts, assistant superintendents, principles and board of education.
- Career and Technical Education department monitors the percentage of market share of 11th and 12th graders participating in Career and Technical Education from each of its component

school districts. This information is put into report form and reported out to the district superintendent's, boards of education and assistant superintendents.

- Career and Technical Education department monitors the number of percentage of students that return to the Career and Technical Education Center for the second year of a two-year program or an extension or expansion of the students career selection and taking additional years of Career and Technical Education. This information is monitored on an annual basis and becomes part of our final reporting process to our board of education, district superintendent and local school districts.
- Suspension date is developed on a monthly basis and chartered and graphed and compared from year to year. This information is reported to the local school district and building principles, counseling staff and internal support staff at the Career and Technical Education Center.
- Career and Technical Education Center plucks and computerizes all students that are CSE or have a 504 plan- Our data contains our test modifications reports and they are generated on a monthly basis indicating our students per class that fall into these categories as well as the total enrollment of the Career and Technical Education Center on a CSE or 504 plan. This data is used continuously and will sure that all IEP and 504 plan objectives be met for each of these students. Results are sent to the local school districts and board of services as well all those provided at the Career and Technical Center.

All of the above data is used and shared internally as well as externally to enhance student's performance and behavior and program medic growth. Much of the data that we have from out student information system well as data sources that we have created over the years. Data that we would greatly appreciate and will in the near future would be a copy of the student's official transcript when they enter the Career and Technical Education Center.

2. As stated in question number 1 all of the units collected are put into different forms and reports. They go back to each of the local school districts level-building counselors to establish the students with specific areas of improvement that benefits Career and Technical Education Center, Whether it is support for student activity or their individual plan or archival contract that has developed at the Career and Technical Education Center that shared with the local school districts. All this information is flowing back and forth on a continuous basis. Again, we still have a great need on finding out what students are economical disadvantaged as we look to meet some of the requirements and data that the administration requires on the disadvantages and economical disadvantages because we do not hold their whole entire school record.
3. We used the above data mentioned in item number 1 to improve our students performance academically, skilled and personally. That is part of their experience at the Career and Technical qualifications Center. A staff of Academic support personnel and the administrative personnel work enhancing each individual's performance. The type of data indicated as mentioned in item number 1 the frequency of this data collection and the graphing of this data over a period of time allows us to show continuos growth and improvement.
4. Currently of the modifications of the State of Education Department is made is towards the BOCES report cared particularly the Career and Technical Education. I think it accurately

represents, reflects and provides an overall picture of what's occurring at Career and Technical Centers all over New York state.

5. In relation to Career and Technical Education the data that you are requesting is fine. It represents the department.

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# FOLLOW UP - RECOMMENDATION IMPLEMENTATION PLAN

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The Department issues a 90-day follow-up letter after the issuance of a final report requesting a Recommendation Implementation Plan for each recommendation. On December 29, 1997, the Office of Audit Services issued a final report (BOC-0896-1) on management practices, records, and documentation related to select areas of Monroe 2-Orleans BOCES. The report contained 16 recommendations to improve operations. Before the 90-day follow-up letter was issued, Monroe 2-Orleans BOCES submitted a response to the final report. Although not framed in the format that the follow-up letter would have requested, their response to the final report was accepted as the Implementation Plan.

The audit used the response and on-site review to determine if the 16 recommendations had been implemented. The audit determined that 13 of the recommendations were successfully implemented or otherwise satisfied and three were partially implemented. The following is the audit's paraphrase of Monroe 2-Orleans BOCES' response in the Implementation Plan format.

## **Recommendations one through four pertained to the Hague Trust.**

1. Provide an accounting of the use of the funds in the Hague Trust and related accounts to the Department. The accounting should identify the purpose and recipients of distributions.
2. Provide the Department an accounting of the use of funds subsequent to transfer from the Hague Trust to Monroe 2 BOCES.
3. Submit documentation on the creation, organization, purpose and use of the Monroe 2-Orleans Educational Trust Fund to the Department for review and approval.
4. Submit an annual accounting of the Monroe 2 Educational Trust fund to the Commissioner of Education.

## **Implementation Action(s) per the BOCES:**

The BOCES' external auditor provided an accounting of the Hague Trust for the BOCES response to the Draft Audit and accounts for the Educational trust in the Trust & Agency section of the current Financial Statements. The BOCES also submitted the original trust agreement with their initial response.

**Audit note:** Monroe 2-Orleans BOCES complied with the recommendations; however, over \$1.5 million are in the Hague Trust Fund as of June 30, 2000. The annual financial statement shows over \$1.5 million, but does not identify the amount as attributed to the Hague Trust. No other accounting or documentation has been received by the Department.

**Status:** Fully implemented.

### **Recommendation**

5. Continue to monitor the extent that fringe benefits are accurately budgeted and assess the reason for any variances.

### **Implementation Action(s) per the BOCES:**

Monroe 2-Orleans BOCES officials did not agree with the recommendation but their response provided reasons why they did not always have latest data from sources such as the Retirement system. Because of this, Monroe 2-Orleans BOCES' projections would need corrections when the actual data were received.

**Audit note:** The audit tested several large transfers from January 2000 and none were to increase expense appropriations in other CO-SERs. All transfers were approved, documented and considered reasonable. The audit considered Monroe 2-Orleans BOCES' diligence in monitoring this aspect of the budget process and considered the recommendation as being implemented.

**Status:** Fully implemented.

### **Recommendation**

6. Comply with previously agreed upon audit recommendations.

### **Implementation Action(s) per the BOCES:**

The BOCES agreed to correct the staffing allocations as soon as the final transfers were known.

**Audit note:** The audit reviewed allocation schedules with Monroe 2-Orleans BOCES' Special Education Budget Manager and Finance Director. It appears that a greater effort to reflect the effects of collective bargaining transfers and other last minute transfers are considered. The allocations appeared reasonable.

**Status:** Fully implemented.

### **Recommendation**

7. Include all rental costs in administration as required by the Administrative Handbook.

### **Implementation Action(s) per the BOCES:**

The costs for rental of facilities were accounted for within the administrative budget in the 1997-98 budget.

**Audit note:** A quick review of the lease file showed no leases that were not charged to Administration, except for EPE.

**Status:** Fully implemented.

**Recommendation**

8. Cease using public funds for the travel expenses of non-employees.

**Implementation Action(s) per the BOCES:**

Monroe 2-Orleans BOCES agreed only that it should have collected for the personal expenses and that it erred in not doing so even though it is BOCES policy to be reimbursed. The previous audit cited several examples where the BOCES did not collect on spouse's expenses. The BOCES collected these monies.

**Status:** Fully implemented.

**Recommendation**

9. Adopt a policy and process to assure that only actual and necessary expenditures for official travel are reimbursed. The policy should establish maximum rates for lodging and meals and prohibit the use of BOCES funds for personal expenses. Consider adopting the IRS travel reimbursement rate for lodging and meals to establish the maximum allowable reimbursement.

**Implementation Action(s) per the BOCES:**

Monroe 2-Orleans BOCES established this policy at the end of 1996.

**Audit note:** The policy was reviewed and a small sample of expenses were within policy guidelines.

**Status:** Fully implemented.

**Recommendation**

10. Seek reimbursement for any outstanding personal travel expenses that have been paid (\$1,501 and \$644).

**Implementation Action(s) per the BOCES:**

Monroe 2-Orleans BOCES was reimbursed for the expenses cited.

**Status:** Fully implemented.

**Recommendation**

11. Maintain sufficient documentation to support credit card charges. This documentation should include the purpose of the charge and its relationship to BOCES operations.

**Implementation Action(s) per the BOCES:**

As required by the BOCES Handbook, Monroe 2-Orleans BOCES continues to require verification of credit card expenses.

**Audit note:** Although Monroe 2-Orleans BOCES officials claim this has been corrected, a voucher paying credit card charges could produce only four of the eight documentation requests asked for by the audit.

**Status:** Partially implemented.

**Recommendation**

12. Establish sick leave benefits at a level consistent with those offered to other public employees.

**Implementation Action(s) per the BOCES:**

Monroe 2-Orleans BOCES officials disagreed with the finding and offered a review of sick leave over the last 20 years as proof that it was not being abused.

**Audit note:** Monroe 2-Orleans BOCES reduced sick days from 260 to 240 days and included a provision for the "District Superintendent reserves the right to adjust the administrator's sick time allotment to a reasonable amount not less than 20 days."

**Status:** Partially implemented.

**Recommendation**

13. Price services in a way that allows the apportionment of surpluses to all participants as required by Section 1950.

**Implementation Action(s) per the BOCES:**

Beginning in 1997-98, Monroe 2-Orleans BOCES redistributed its surplus according to the participation of each district in its programs.

**Audit note:** The audit found that this had been implemented by reviewing the Surplus report, which had non-components listed.

**Status:** Fully implemented.

**Recommendation**

14. Develop a process to assure that O&M refunds are appropriately credited on an equitable basis to all programs.

**Implementation Action(s) per the BOCES:**

In the future, reasonable adjustments will be provided for significant surpluses from the O&M budget.

**Status:** Fully implemented.

**Recommendation**

15. Report expenses ineligible for BOCES aid on the Form SA-112.

**Implementation Action(s) per the BOCES:**

BOCES began this process for the 97/98 school year.

**Audit note:** The audit found that Monroe 2-Orleans BOCES used the Form SA 112 for the 1999-2000 school year.

**Status:** Fully implemented.

**Recommendation**

16. Institute a control by requiring users of BOCES' vehicles to record the driver, purpose of each trip, and beginning and ending odometer readings. This log should be periodically reviewed for appropriate usage.

**Implementation Action(s) per the BOCES:**

The BOCES implemented this by 1998.

**Audit note:** The audit found that the vehicle logs requested were in compliance.

**Status:** Fully implemented.

Audited Special Education Tuition Rate  
Special Class Option II

Activity	Note	Option II	
		203-4220	231-4220
Net expenses per BOCES calculation:	1	2,220,645.40	1,220,293.38
Add back refund:	2	104,875.57	341,297.53
Subtract misc. revenues:	3	14,955.94	1,390.93
Audit's net expenses:		2,310,565.03	1,560,199.98
Number of pupils	2	172.5	104
% of pupils of the Option		62.39%	37.61%
Audit's tuition for each activity		13,394.58	15,001.92
Weighted avg. of activity's tuition		8,356.47	5,642.68
Audit's average tuition rate for Option			13,999.15
BOCES' average tuition	2		10,830.83
Increased tuition costs			3,168.32
Percent difference			29.25%
<b>Notes:</b>			
1=Overall expenses excluding related services and refund.			
2=Per Monroe 2-Orleans BOCES' submission.			
3=Misc. revenues from the activity's Form SA-111.			

Audited Special Education Tuition Rate  
Special Class Option III

	<b>Note</b>	<b>Option III</b>			
<b>Activity</b>		<b>204-4230</b>	<b>205-4230</b>	<b>206-4235</b>	<b>208-4230</b>
Net expenses per BOCES calculation:	<b>1</b>	990,237.35	1,319,199.36	<del>366,728.81</del>	320,015.92
Add back refund:	<b>2</b>	65,356.14	70,462.00	<del>60,664.36</del>	60,276.72
Subtract misc. revenues:	<b>3</b>	599.97	0.00	<del>314.00</del>	54.51
Audit's net expenses:		1,054,993.52	1,389,661.36	<del>427,079.17</del>	380,238.13
Number of pupils	<b>2</b>	86	87	<del>25</del>	34
% of pupils of the Option		41.55%	42.03%	<del>10.78%</del>	16.43%
Audit's tuition for each activity		12,267.37	15,973.12	<del>17,083.17</del>	11,183.47
Weighted avg. of activity's tuition		5,096.59	6,713.34	<del>1,840.86</del>	1,836.90
Audit's average tuition rate for Option					13,646.83
BOCES' average tuition	<b>2</b>			<b>Note 4</b>	12,915.00
Increased tuition costs					731.83
Percent difference					5.67%
<b>Notes:</b>					
<b>1</b> =Overall expenses excluding related services and refund.					
<b>2</b> =Per Monroe 2-Orleans BOCES' submission.					
<b>3</b> =Misc. revenues from the activity's Form SA-111.					

Audited Special Education Tuition Rate  
Special Class Option IV

	<b>Note</b>	<b>Option IV</b>
<b>Activity</b>		<b>207-4240</b>
Net expenses per BOCES calculation:	<b>1</b>	786,386.46
Add back refund:	<b>2</b>	21,409.47
Subtract misc. revenues:	<b>3</b>	2,740.00
Audit's net expenses:		805,055.93
Number of pupils	<b>2</b>	41
% of pupils of the Option		100.00%
Audit's tuition for each activity		19,635.51
Weighted avg. of activity's tuition		19,635.51
Audit's average tuition rate for Option		19,635.51
BOCES' average tuition	<b>2</b>	19,180.00
Increased tuition costs		455.51
Percent difference		2.37%
<b>Notes:</b>		
1=Overall expenses excluding related services and refund.		
2=Per Monroe 2-Orleans BOCES' submission.		
3=Misc. revenues from the activity's Form SA-111.		

Employment Preparation Education Program  
 Schedule of Audit Findings

Contact hours reported per SA-160.1 and .2	Total 245,480.40
Contact hours ineligible because of student folders (page 2)	842
Contact hours ineligible because of age (page 4)	1,029.5
General Education Diploma (page 4)	357.25
Life Management Home Study (page 7)	5,400
GRASP (page 8)	5,341
Connect with English (page 8)	94
Crossroads Café (page 8)	916
Total adjustments	<u>13,979.75</u>
Total contact hours eligible for aid	<u><u>231,500.65</u></u>

**Calculation of Amount Questioned:**

Contact hours paid	245,480.40
Contact hours eligible for aid	<u>231,500.65</u>
Hours questioned	<u>13,979.75</u>
EPE rate per hour	<u>4.48</u>
Amount questioned	<u>\$62,629.28</u>
*Amount expenditures exceeded revenues	<u>35,232.23</u>
Amount to be recovered	<u><u>\$27,397.05</u></u>

\*Note: Education Law Section 3602 requires that if total revenue received exceeds total expenditures, State aid payable in the following year must be reduced by the amount of such excess. The Department has already recovered this amount.

Monroe 2-Orleans BOCES  
Contributors to the Report

- Calvin Spring, Audit Manager
- Ronald Talarico, Associate Auditor (Auditor-in-Charge)
- Stewart Hubbard, Senior Auditor
- Michael Summa, Senior Auditor

**NEW YORK STATE EDUCATION DEPARTMENT  
OFFICE OF AUDIT SERVICES  
AUDIT REVIEW PROCEEDINGS**

**Requests for Audit Review**

It is the policy of the State Education Department to consider for review matters of significant disagreement which result from a final audit report issued by the Office of Audit Services.

An organization requesting an audit review must make a written application to the Associate Commissioner for Planning and Policy Development, New York State Education Department, Room 128 EB, Albany, New York 12234 within 30 days of receiving the final audit report. An organization may request a review of an audit whenever the final audit report directs the recovery of funds from the organization and one or more of the following conditions is met:

- Recovery of funds would cause immediate and severe financial hardship to the organization, thereby affecting the well-being of program participants;
- The organization's violation was caused by erroneous written guidance from the State Education Department;
- The State Education Department failed to provide timely guidance on the matter or condition when the organization had previously requested such guidance in writing; and/or
- The report contains errors of fact or misinterpretation of laws, statutes, policies or guidelines.

Organizations requesting an audit review must submit a written application describing how one or more of the above conditions have been met. This application must include all evidence and information the organization believes are pertinent to support its position.

An audit report which recommends improvements in internal controls of administrative or financial systems, but has no material financial impact on the organization, will not be considered for an audit review proceeding.



cc: C Spring  
F

Monroe 2-Orleans  
Board of Cooperative Educational Services  
C. Tod Eagle, District Superintendent

**Business  
Office**

June 19, 2002

**Patrick J. Donegan**  
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Mr. Daniel Tworek  
Office of Audit Services  
New York State Education Department  
Room 524 EB  
Albany, NY 12234

**RECEIVED**  
JUN 26 2002  
OFFICE OF  
AUDIT SERVICES

Subject: Response to the Preliminary Audit Findings dated May 28, 2002

Dear Mr. Tworek:

Enclosed are the responses to the preliminary audit findings of the Monroe 2-Orleans BOCES. The audit covers the 1999-2000 school year.

Should you have any questions concerning our responses, do not hesitate to contact me.

Sincerely,

Patrick J. Donegan  
Director of Finance

md  
Enc.

**THE MONROE 2-ORLEANS BOCES RESPONSE TO  
THE STATE EDUCATION DEPARTMENT'S  
PRELIMINARY AUDIT FINDINGS DATED MAY 28, 2002**

**Preliminary Audit Finding #1**

1. CWD had policies and procedures for different components of the EPE program, such as attendance policies, enrollment policies, additionally we followed policy memo's provided by SED sponsored training programs.
2. Yes, we are currently establishing a comprehensive policy manual, based on the draft policy manual we received from SED in February 2002. Additionally we have established a training schedule (some training has already taken place) to ensure all staff members involved with EPE programs are trained on appropriate procedures and are aware of the manual and its uses.

**Preliminary Audit Finding #2**

1. It is our policy to TABE test all eligible students before enrolling them into EPE programs.
2. We have established a new training schedule for all staff to reinforce this policy. One session has already been concluded. We have included this policy as part of our orientation process for new teachers and staff. Additionally we developed a new system of checks and balances for intake. Supervisors check intake paperwork every two weeks.
3. We were not aware of the 1995 memo requiring IEEPPS nor do we believe that significant procedural requirements should be memo based for other than short term notices. SED should formalize these in procedure documents.
4. We have included IEEPPS information on our intake documentation.
5. We agree we did not have established written procedures. We are completing a new manual based on the draft of the EPE Policy manual provided in February 2002.
6. Yes, we will.
7. Not intentionally. There may have been clerical errors. Additionally, there were gaps in the information available to us.
8. As a rule we maintain individual folders for every student enrolled in EPE programs.

### **Preliminary Audit Finding #3**

1. Not intentionally. There are times when incorrect dates are entered into student files, generally due to clerical error. All parties were unaware students had successfully completed their GED's.
2. Our policy is to enroll students who are fully qualified to be in programs. Continued training and spot-checks of student information should preclude additional problems in this area.

### **Preliminary Audit Finding #4**

1. It is our policy to keep accurate records on all students enrolled in EPE programs. We agree that some oversight is possible and was uncovered by the auditors in this case.
2. See #2 in Audit Finding #1.

### **Preliminary Audit Finding #5**

1. Not intentionally. We believe we received verbal approval to run this program, the follow-up written approval was inadvertently overlooked. We appreciate the retroactive approval.
2. Our EPE application will clearly indicate which new programs we are requesting approval for and appropriate documentation will be kept on file.

### **Preliminary Audit Finding #6**

1. Yes, the Report Card was not transmitted to local newspapers. We were unaware of this requirement. The Report Card was available for public inspection at BOCES and on the SED website.
2. The Report Card will be transmitted from now on.

### **Preliminary Audit Finding #7**

1. Yes, the surplus should not have been subtracted from the net expenses of these programs. The confusion came from the 602 Report Schedule B instructions which state "Subtract any refunds/surplus before calculating the rate."
2. The spreadsheet used to calculate the Special Education Program Tuition Per Pupil has been changed to correct this problem.