

# MARIN COUNTY OFFICE OF EDUCATION

Report of Review

## AUDIT RESOLUTION PROCESS

*Fiscal Year (FY) 2002-03 and FY 2003-04*



**JOHN CHIANG**  
California State Controller

January 2007



**JOHN CHIANG**  
California State Controller

January 17, 2007

Mary Jane Burke  
County Superintendent of Schools  
Marin County Office of Education  
1111 Las Galinas Avenue  
San Rafael, CA 94903

Dear Ms. Burke:

The State Controller's Office reviewed the Marin County Office of Education's (COE) audit resolution process for local education agency exceptions noted in the annual audit reports. The review covered fiscal year (FY) 2002-03 and FY 2003-04.

Our review disclosed that the Marin COE followed its audit resolution process for FY 2002-03 and FY 2003-04. As a result, the Marin COE was in compliance with *Education Code* Section 41020.

If you have any questions, please contact Casandra Moore-Hudnall, Chief, Financial Audits Bureau, at (916) 322-4846.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/vb:ams

cc: Sandra Peck, Assistant Superintendent, Business Services  
Marin County Office of Education  
Monica Ching, External Fiscal Services  
Marin County Office of Education  
Scott Hannan, Director  
School Fiscal Services Division  
California Department of Education  
Arlene Matsuura, Education Fiscal Services Consultant  
School Fiscal Services Division  
California Department of Education  
Dan Troy, Principal Program Budget Analyst  
Education Systems, Department of Finance

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# Review Report

## Summary

The State Controller's Office (SCO) reviewed the Marin County Office of Education's (COE) audit resolution process for local education agency exceptions noted in the annual audit reports for fiscal year (FY) 2002-03 and FY 2003-04. Our review disclosed that the Marin COE followed its audit resolution process for FY 2002-03 and FY 2003-04. The last day of fieldwork was January 25, 2006.

## Background

*Education Code* Section 41020(n) requires the State Controller to annually select a sampling of county superintendents of schools to perform a follow-up review of the audit resolution process. Results of these reviews are reported to the Superintendent of Public Instruction and the county superintendents of the schools that were reviewed.

Furthermore, *Education Code* Section 41020(n) states that the State Controller shall require auditors to categorize audit exceptions in the audit report in such a manner that both the county superintendent of schools and the Superintendent of Public Instruction (SPI) can discern which exceptions they are responsible for ensuring correction of by a local education agency.

The Marin COE provides coordination of educational programs and professional and financial supervision for 19 local education agencies and one joint powers entity under its direct jurisdiction. In addition, the county superintendent of schools maintains special schools and programs that are independent of the local education agencies.

County superintendents of schools are required to:

- Review, for each of their school districts, the audit exceptions relating to attendance, inventory of equipment, internal control, and any miscellaneous items, and determine whether the findings have been corrected or an acceptable plan of correction has been developed (*Education Code* Section 41020(i));
- Review audit exceptions related to attendance exceptions or issues that shall include, but are not limited to, those related to revenue limits, adult education, and independent study (*Education Code* Section 41020(j)(1));
- Notify the local education agency and request that the governing board of the local education agency provide to the county superintendent of schools a description of the correction or plan of correction by March 15 (*Education Code* Section 41020(j)(2));
- Review the description of the correction or plan of correction and determine its adequacy and, if its response was not adequate, require the local education agency to resubmit a portion of its response (*Education Code* Section 41020(j)(3)); and

- By May 15, certify to the SPI and the SCO that the county has reviewed all applicable exceptions, and state that all exceptions have been corrected or an acceptable plan for correction has been submitted by the local education agency to the county superintendent, except as noted in the certification. In addition, identify by local education agency any attendance-related exceptions or exceptions involving state funds, and require the local education agency to submit the appropriate reporting forms to the SPI for processing (*Education Code* Section 41020(k)).

## **Objective, Scope, and Methodology**

Our review was conducted under the authority of *Education Code* Section 41020(n). Our review scope was limited to determining whether or not the Marin COE followed its audit resolution process in resolving audit exceptions. Our review did not include an evaluation of the sufficiency of the action taken by the local education agency and the Marin COE to address each exception, nor did it assess the degree to which each exception was addressed. Specifically, our review was limited to the following procedures.

- Verifying that the Marin COE addressed all attendance, inventory of equipment, internal control, and miscellaneous exceptions. However, with respect to exceptions based on sample items, our review did not include a determination of whether or not the exception results were properly quantified and addressed at a districtwide or countywide level;
- Verifying that the Marin COE notified local education agencies that they must submit completed corrective action forms to the Marin COE by March 15, 2004, and March 15, 2005, for FY 2002-03 and FY 2003-04, respectively. Our review did not include an assessment of the local education agencies' progress with respect to taking corrective action;
- Verifying that the Marin COE required the local education agencies to submit the appropriate reporting forms to the SPI for any attendance-related exceptions that affect state funding; and
- Reviewing the May 15, 2004, and May 15, 2005, letters of certification that the Marin COE sent to the SPI and the SCO with respect to any resolved and unresolved audit exceptions.

## **Conclusion**

Our review disclosed that the Marin COE followed its audit resolution process for FY 2002-03 and FY 2003-04. As a result, the Marin COE was in compliance with *Education Code* Section 41020 for FY 2002-03 and FY 2003-04. We made no additional determination regarding the Marin COE's audit resolution process beyond the scope of the review outlined above.

**Views of  
Responsible  
Officials**

We discussed our conclusion with Sandra Peck, Assistant Superintendent, Business Services, and Monica Ching, External Fiscal Services, Marin COE, at an exit conference held on January 25, 2006. Ms. Peck and Ms. Ching generally agreed with the conclusion and authorized issuance of the final report.

**Restricted Use**

This report is intended solely for the information and use of the Marin COE, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not meant to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, California 94250-5874**

**<http://www.sco.ca.gov>**