

MONO COUNTY OFFICE OF EDUCATION

Review Report

AUDIT RESOLUTION PROCESS

Fiscal Year 2019-20 and Fiscal Year 2020-21



MALIA M. COHEN
California State Controller

August 2023



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

August 28, 2023

Stacey Adler, Ph.D., County Superintendent of Schools
Mono County Office of Education
37 Emigrant Street, P.O. Box 477
Bridgeport, CA 93517

Dear Dr. Adler:

The State Controller's Office reviewed the Mono 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) 2019-20 and FY 2020-21.

Our review found that the Mono COE followed its audit resolution process for FY 2019-20 and FY 2020-21. As a result, the Mono COE substantially complied with Education Code section 41020, except for the late submission of the FY 2019-20 and FY 2020-21 certifications of corrective action.

If you have any questions, please contact Joel James, Chief, Financial Audits Bureau, by telephone at (916) 323-1573.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/rs

Ms. Stacey Adler

August 28, 2023

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cc: Didi Tergesen, Assistant Superintendent
Mono County Office of Education
Nnamdi Uzor, Assistant Superintendent
Special Education/SELPA
Mono County Office of Education
Tammy Nguyen, Assistant Superintendent
Educational Services
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Review Report

Summary

The State Controller's Office (SCO) reviewed the Mono County Office of Education's (COE) audit resolution process for local education agency (LEA) exceptions noted in the annual audit reports for fiscal year (FY) 2019-20 and FY 2020-21. Our review found that the Mono COE followed its audit resolution process for FY 2019-20 and FY 2020-21, except for the late submission of the certifications of corrective action. This issue is described in the Finding and Recommendation section of this report.

Background

Education Code section 41020(n) directs the SCO to require that auditors categorize audit exceptions in the audit report in such a manner that both the county superintendent of schools and the State Superintendent of Public Instruction (SSPI) can discern which exceptions it is their responsibility to ensure that the LEAs correct.

In addition, Education Code section 41020(n) requires the SCO to annually select a sample of county superintendents of schools for which the SCO will perform a follow-up review of the audit resolution process. Results of these reviews will be reported to the SSPI and the county superintendents of the schools that were reviewed.

The Mono COE provides coordination of educational programs and professional and financial supervision for two LEAs under its jurisdiction. In addition, the county superintendent of schools maintains special schools and programs countywide, independent of the LEAs.

County superintendents of schools are required to do the following:

- Review, for each of their school districts, 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][1]);
- Review audit exceptions related to the use of program funds for instructional materials, teacher misassignments, and school accountability report cards. The county superintendents must also determine whether the exceptions have been corrected or an acceptable plan of correction has been developed (Education Code section 41020[i][2]);
- Review audit exceptions related to attendance, inventory of equipment, internal control, and other miscellaneous exceptions. Attendance exceptions or issues must include those related to local control funding formula allocations pursuant to Education Code section 42238.02, as implemented by section 42238.03, and independent study (Education Code section 41020[j][1]);
- Notify the LEA, and request that the governing board of the LEA provide to the county superintendent of schools a description of the correction or plan of correction by March 15 (April 15, 2022, for

FY 2020-21 audit reports) of the subsequent year (Education Code section 41020[j][2]);

- Review the description of the correction or plan of correction and determine its adequacy and, if the LEA's response was not adequate, require the LEA to resubmit that portion of its response that is inadequate (Education Code section 41020[j][3]);
- By July 15 (June 15, 2022, for FY 2020-21 audit reports) of the subsequent year, certify to the SSPI and the SCO that the county has reviewed all applicable exceptions, and state that all exceptions have been corrected, or that an acceptable plan for correction has been submitted by the LEA to the county superintendent, except as noted in the certification. In addition, identify by LEA any attendance-related exceptions or exceptions involving state funds, and require the LEA to submit the appropriate reporting forms to the SSPI for processing (Education Code sections 41020.9 [b] and [c]);
- Review LEAs' unresolved prior-year audit exceptions when the California Department of Education defers to the county (Education Code section 41020[l]); and
- Adjust subsequent local property tax requirements to correct audit exceptions relating to LEA tax rates and tax revenues (Education Code section 41020[o]).

Review Authority

We conducted this review in accordance with Education Code section 41020(n), which authorizes the SCO to facilitate correction of the exceptions identified by audits issued pursuant to this section. In addition, Government Code section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law.

Objective, Scope, and Methodology

The objective of our review was limited to determining whether the Mono COE followed its audit resolution process for resolving LEA audit exceptions in a manner consistent with Education Code section 41020. Our review did not include an evaluation of the sufficiency of the action taken by the LEA and the Mono COE to address each exception, nor did it assess the degree to which each exception was addressed.

The review period was FY 2019-20 and FY 2020-21.

To achieve our objective, we performed the following procedures:

- We verified that the Mono COE addressed all attendance, inventory of equipment, internal control, and miscellaneous exceptions. In addition, we verified that the Mono COE addressed any findings on program funds for instructional materials, teacher misassignments, and school accountability report cards. However, with respect to exceptions based on sample items, our review did not include a determination of whether the exception results were properly quantified and addressed at a districtwide or countywide level.
- We verified that the Mono COE notified LEAs that they must submit completed corrective action forms to the Mono COE by

March 15, 2021, and April 15, 2022, for FY 2019-20 and FY 2020-21, respectively. Our review did not include an assessment of the LEAs' progress in taking corrective action.

- We verified that the Mono COE required the LEAs to submit the appropriate reporting forms to the SSPI for any attendance-related exceptions that affected state funding.
- We reviewed the letters of certification due on July 15, 2021, and June 15, 2022, that the Mono COE sent to the SSPI and the SCO regarding any resolved and unresolved audit exceptions.
- We verified that the Mono COE followed up with unresolved prior-year audit exceptions that the SSPI had required the Mono COE to conduct.
- We verified that the Mono COE adjusted subsequent local property tax requirements to correct audit exceptions related to LEA tax rates and tax revenues.

Conclusion

Our review found that the Mono COE followed its audit resolution process for FY 2019-20 and FY 2020-21. As a result, the Mono COE substantially complied with Education Code section 41020 for FY 2019-20 and FY 2020-21, except for the late submission of the FY 2019-20 and FY 2020-21 Certification of Corrective Action forms. The Certification of Corrective Action form for FY 2019-20, which was due to SSPI and SCO by July 15, 2021, was received on August 27, 2021. The Certification of Corrective Action form for FY 2020-21, which was due to SSPI and SCO by June 15, 2022, was received on June 20, 2022. This issue is described in the Finding and Recommendation section of this report.

We made no additional determination regarding the Mono COE's audit resolution process beyond the scope of the review outlined in this report.

Views of Responsible Officials

We issued a draft review report on April 3, 2023. Mono COE's representative responded by letter dated April 7, 2023. Mono COE agreed with the review results. This final review report includes Mono COE's response as an attachment.

Restricted Use

This report is intended solely for the information and use of the Mono 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 and is available on the SCO website at www.sco.ca.gov.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

August 28, 2023

Finding and Recommendation

**FINDING—
Certification of
Corrective Action
forms submitted
late**

The Mono COE’s Certification of Corrective Action forms for FY 2019-20 and FY 2020-21 were submitted late. The form for FY 2019-20, which was due to SSPI and SCO by July 15, 2021, was received on August 27, 2021. The form for FY 2020-21, which was due to SSPI and SCO by June 15, 2022, was received on June 20, 2022.

A lack of written policies and procedures combined with fewer staff and turnover caused the Mono COE to submit the certifications after their due dates.

Education Code section 41020(k) states:

(1) Each county superintendent of schools shall certify to the Superintendent and the Controller, not later than May 15, that the county superintendent of schools’ staff has reviewed all audits of local educational agencies under the county superintendent of schools’ jurisdiction for the prior fiscal year, that all exceptions that the county superintendent was required to review were reviewed, and that all of those exceptions, except as otherwise noted in the certification, have been corrected by the local educational agency or that an acceptable plan of correction has been submitted to the county superintendent of schools. In addition, the county superintendent shall identify, by local educational agency, any attendance-related audit exception or exceptions involving state funds, and require the local educational agency to which the audit exceptions were directed to submit appropriate reporting forms for processing by the Superintendent.

(2) For audit reports for the 2020–21 fiscal year, the deadline for certification referenced in paragraph (1) shall instead be filed no later than June 15, 2022.

Education Code section 41020.9(b) states, in part:

Notwithstanding subdivision (h) of Section 41020 or subdivision (m) of Section 47605, for audit reports for the 2019–20 fiscal year, a local educational agency shall file an annual audit report with the county superintendent of schools of the county in which the local educational agency is located, the Superintendent, the Controller, and, if applicable, to its chartering authority, by March 31, 2021, and notwithstanding subdivision (k) of Section 41020, the county superintendent of schools shall submit the required certification to the Superintendent and the Controller by July 15, 2021.

Recommendation

We recommend that Mono COE:

- Establish written policies and procedures to ensure compliance with Education Code requirements and provide for continuity of operations; and
- Provide Certification of Corrective Action forms to the SCO and SSPI by the due dates required by Education Code section 41020.

**Attachment—
Mono County Office of Education’s
Response to Draft Review Report**



April 7, 2023

Joel James, Chief, Financial Audits Bureau
Division of Audits, State Controller's Office
Post Office Box 942850
Sacramento, California 94250

Dear Mr. James,

Thank you for forwarding the 2019-20 and 2020-21 Audit Resolution Process draft audit report. We concur with your findings and find the conclusion, finding, and recommendation accurate and helpful. We will establish written policies and procedures to ensure compliance with Education Code requirements and provide for continuity of operations; and ensure our certification of Corrective Action forms are submitted to the SCO and SSPI by the due dates required by Education Code section 41020.

Sincerely,

Stacey Adler
Mono County Superintendent of Schools

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

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