

GOOD AFTERNOON



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Compliance Audit Supervisor**

OFFICE OF PUBLIC INSTRUCTION

Financial-Compliance Audit
For the 2 fiscal years ended June 30, 2021





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OPINION

AUDITOR'S OPINION: **UNMODIFIED**

We found OPI's financial schedules and note disclosures present fairly OPI's activity in all material respects. This means a reader can rely on the information presented and the underlying accounting records.

ESSER AND QUESTIONED COSTS

OPI is responsible for administering the Elementary and Secondary School Relief (ESSER) Fund. Most ESSER funds are subgranted to LEAs. OPI spent \$26.9 million on ESSER during the audit period. The federal government granted over \$500 million more in ESSER funding to the state, so OPI will continue subgranting ESSER money to LEAs in fiscal year 2022 and beyond.



MATERIAL EXPENDITURES

	2020	2021
Local Assistance From State Sources	861,515,338	899,176,619
Grants From Federal Sources	164,318,585	221,819,169

Federal Awards Tested for Single Audit



Federal Award	Approximate Revenue		Grant Purpose
	2020	2021	
Child Nutrition Cluster	\$42.6M	\$69.3M	Provide nutritious meals to eligible children
Title 1 Grants	47.5M	47.8M	Assistance with students at risk of not meeting challenging academic standards
Special Education Cluster	40.2M	40.5M	Education of Children with Disabilities
School Emergency Relief (ESSER)	0M	28.6M	Emergency relief funds to address COVID-19
21st Century Learning Centers	5.0M	5.5M	Provide students with academic enrichment opportunities during non-school hours
Total	\$135.3M	\$191.7M	

FEDERAL TESTING



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In our prior audit report,
we recommended OPI
enhance internal
controls related to
subrecipient
monitoring.

ESSER AND QUESTIONED COSTS

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ESSER SAMPLE

- 60 Cash Requests
 - Random but not statistical
- 16 Cash Requests unsupported
- \$460,154 in questioned costs
- More questioned costs may exist



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OPI has the opportunity to finalize their post expenditure monitoring plan in addition to reviewing cash requests. This is important as most of the spending is happening in the future.

TITLE I QUESTION COSTS

OPI should strengthen internal controls related to a federal Title I requirement to reserve money for school improvement and comply with this earmarking requirement.

TITLE I EARMARK TESTING

- School Support vs. Admin not tracked
 - Tested risky expenses
- Over \$40,000 in questioned costs
- More questioned costs may exist



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Internal controls are not adequate for drawing cash for two federal programs.

CASH MANAGEMENT

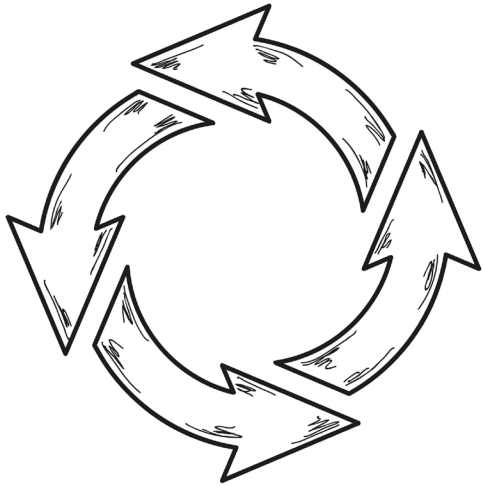
- We completed a judgmental sample of 24 draws
 - Small sample, test at least 10%
 - Judgmental allows us to make sure we appropriately cover 2 federal programs



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We recommend the OPI
comply with state law
by ensuring internal
service fund fees are
commensurate with
costs.

RECOMENDATION #1



Control Cycle

Identify risks → Design controls to address risks → Monitor controls in place → Fix control issues found → Go back to thinking about risks



Audit Process- meant to lead to positive change

THANK YOU!

We thank the Superintendent and her staff for their help during the audit. OPI was able to fully implement four of the prior audit recommendations and OPI reports they have already made changes as a result of this audit.

Questions?