

MISSISSIPPI STUDENT INFORMATION SYSTEM

2014-2015 SCHOOL AUDITS

COMPREHENSIVE ANNUAL REPORT



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STATE AUDITOR

A report from the Performance Audit Division

August 18, 2015

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**Office of the State Auditor
Stacey E. Pickering**

***2014-2015 Mississippi Student Information System School Audit
Comprehensive Annual Report***

August 18, 2015

The Office of the State Auditor is tasked with auditing the accuracy and reliability of student and personnel data transmitted to the Mississippi Department of Education for the purpose of determining funding for local school districts.

One task of the Office of the State Auditor (OSA) is to review the accuracy and reliability of student and personnel information submitted by school districts to the MS Department of Education (MDE) through the Mississippi Student Information System (MSIS) in order to determine funding for local school districts. The OSA conducted audits of 46 of the State's 151 school districts (133 of 900+ schools) during the 2014-2015 school year. These audits reviewed the actions in the following categories: student enrollment, student absentee reporting, truancy reporting, graduation, suspensions, historical postings, teacher endorsements, textbook distribution, property internal controls, vehicle markings, and school safety. Please note that for efficiency purposes, if a district was audited within the last audit cycle, only the areas that had negative findings or were not reviewed were audited resulting in not all 46 districts being audited for each category. Therefore, the results discussed in this report may not pertain to every district audited.

While each school district audited for written policy on enrollment requirements and procedures showed 100% compliance, auditors found that a majority (98%) of the districts audited showed a failure to verify residency of the students enrolled, which revealed that districts were not adhering to the enrollment policies that have been put in place. Additionally, the demographic information kept in the student package was not the same as the information kept in the student's cumulative folder, which hinders a school's ability to contact parents in the event that the student package is not available.

During OSA audits, most districts audited for attendance did an exceptional job of having written policy related to absenteeism, yet most school districts (41 out of 45) were not following those established policies. OSA also found that 90% of the 42 districts audited did not properly report truant students, and 70% of 40 districts failed to follow policy related to suspensions, which included properly coding suspensions as unexcused absences and reporting suspensions to State Attendance Officers.

Teacher endorsement/certification is a category in which 2 of the 46 districts were found to not be in compliance. However, OSA must note that by the time the audit response was received, one of the districts had contacted MDE to resolve the issue.



According to State law, *Principals and teachers shall display the following motto of the United States of America in each classroom, school auditorium and school cafeteria under his or her supervision: "IN GOD WE TRUST..."* [Mississippi Code Section 37-13-163(2)]. OSA found that only 22 of the 46 districts audited had this document properly posted.

Currently, MDE does not review, monitor, or have policies on how fixed assets should be handled within the State's public schools. During the 2014-2015 school audits, OSA interviewed the fixed assets coordinator or the business manager at each selected district to determine what internal controls over property were in place. In reviewing purchase orders from the prior school year and a physical check of those items to determine whether districts were adhering to the policies they established, only 33% of the 46 districts audited had and were following policy with regard to property inventory controls. OSA also reviewed the district owned vehicles to ensure compliance with Mississippi Code Section 25-1-87, which dictates the clear identification of vehicles owned or used by the State of Mississippi or any agency, department, or political subdivision (including vehicles used by the school district), and found that 78% (36 out of 46) of districts audited were in compliance.

The most alarming areas of non-compliance were graduation requirements, textbooks, and school safety. In order for OSA to review the requirements related to graduation, a list of graduates from the previous school year was obtained. Of the 9 districts that graduation records were audited, 3 (33%) graduated students had not met graduation requirements and 7 of the 17 (41%) districts reviewed had not completed all the appropriate graduation forms. Because textbooks (traditional bound books or other supplementary material) are so important to the instructional process, the law states that all textbooks shall be distributed and loaned free of charge to the students, and teachers shall permit all students to take home the textbooks loaned to them. OSA found that none of the 46 districts audited provided textbooks to each student enrolled in the selected classes. OSA also reviewed each school and corresponding district's compliance with all safety laws, policies, and procedures. Only 23% (of 133 audited) of the schools and 37% (of 46 audited) of the districts were in compliance with all established safety rules and regulations.

In conclusion, the Office of State Auditor is responsible for auditing certain data elements in all school districts within the State. An audit plan was created to check those elements and the OSA has used this auditing tool to give OSA and MDE insight on the adherence of school districts with State laws, MDE policies, and district/school policies. The compliance of school districts with the data elements discussed above will continue to be audited. Additional elements that are a part of the Mississippi Adequate Education Program (MAEP) funding formula will also be added in the future. The audit plan, along with this report, will be adjusted to add and/or delete elements as needed.

Introduction

Section 37-37-7(2), Mississippi Code of 1972, Amended, states: *...In addition to the powers and duties of examiners in subsection (1), the State Auditor may establish policies and procedures to ensure the accuracy and reliability of student data used to determine state funding for local school districts, which may include, but are not limited to, the following... (a) On-site audits; (b) An auditing process that ensures the timeliness and accuracy of reports generated by school districts of this state regarding all student transactions; (c) An auditing process that provides for the timeliness, process and accuracy of the electronic transmission of all student data to the Mississippi Department of Education, including, but not limited to, student enrollment, attendance, transportation, absenteeism, graduation and dropouts and other student data and administrative functions as deemed necessary; (d) An audit of the accuracy and validity of all student transactions using the Mississippi Student Information System...*



If one school in a district had a finding in any area reviewed, then the entire district would be considered not in compliance.

The Office of the State Auditor’s (OSA) conducts the on-site audits referenced above. OSA developed an initial audit plan that assessed all of a school district’s responsibilities as it related to student enrollment, attendance, absenteeism, suspensions, property, graduation, and other areas. In creating the audit plan, OSA took into consideration State law, Mississippi Department of Education (MDE) regulations, and school and/or district policies. OSA also evaluated other administrative functions to gain more insight into the school/district’s operation. In each successive year, audits are changed to assess other areas of school performance, operations, and data collection and use.

Each district has a local school board and superintendent, as well as staff, which are tasked with and responsible for the overall operation and quality of the district. Therefore, this report provides aggregate district results of the audits conducted in the 2014-2015 school year. Because districts exist as a single unit for management, funding, data collection, and reporting purposes; information in this report including charts, graphs, and percentages are based on an entire district and not the individual schools audited. If one school in a district had a finding in any area reviewed, then the entire district would be considered not in compliance. In other words, if three (3) schools were audited in one school district and one of those schools were found not to be in compliance with one of the areas reviewed, the entire school district will be listed as not being in compliance with that particular area of review.

Additionally, if a school within a district was audited within the last audit cycle, only the areas that had negative findings or were not reviewed were audited. Therefore, the results discussed in this report may not pertain to all 46 districts audited.

MS Student Information

To comply with the Performance Based Accreditation Model established by the Education Reform Act of 1982, MDE created the Mississippi Student Information System (MSIS). MSIS is a computer based program which keeps all student information as well as individual schools, districts, administrators, and school board members in an electronic format. It makes the recording and reporting of data such: as student enrollment, attendance, absenteeism, and graduation much easier and more accurate; it also provides a more efficient method of transferring student records between districts.

Each school is allowed to select a local software system, specific to their district, to maintain all data for their district. These local systems, referred to as student packages, transmit data via MSIS to MDE. Currently, there are a total of five (5) student packages transmitting data into MSIS. Chart 1 below lists the five (5) student packages and the number of districts that currently use the corresponding student package to submit their data to MDE.



Chart 1

<i>Name of Student Package</i>	<i>Number of Districts Utilizing Package</i>
JPAMS	1
POWER	13
REDIKAR	1
SAMS	121
INOW (STI)	25

Source: MS Department of Education website

MSIS School Audit Process

During the 2014-2015 school year, OSA utilized the audit plan that was created to ensure compliance with all laws and policies as it related to the following categories: student enrollment, student absenteeism, graduation, attendance reporting, suspensions, historical postings, teacher endorsements, textbooks, safety, property internal controls, and vehicle markings. If a school within a district was audited within the last audit cycle, only the areas that had negative findings or were not reviewed were audited. OSA conducted reviews of 46 of the State’s 151 school districts (133 out of 900+ schools) and provided a written report to each district upon the completion of their audit. The results of these audits are discussed in the following sections.

Student Enrollment

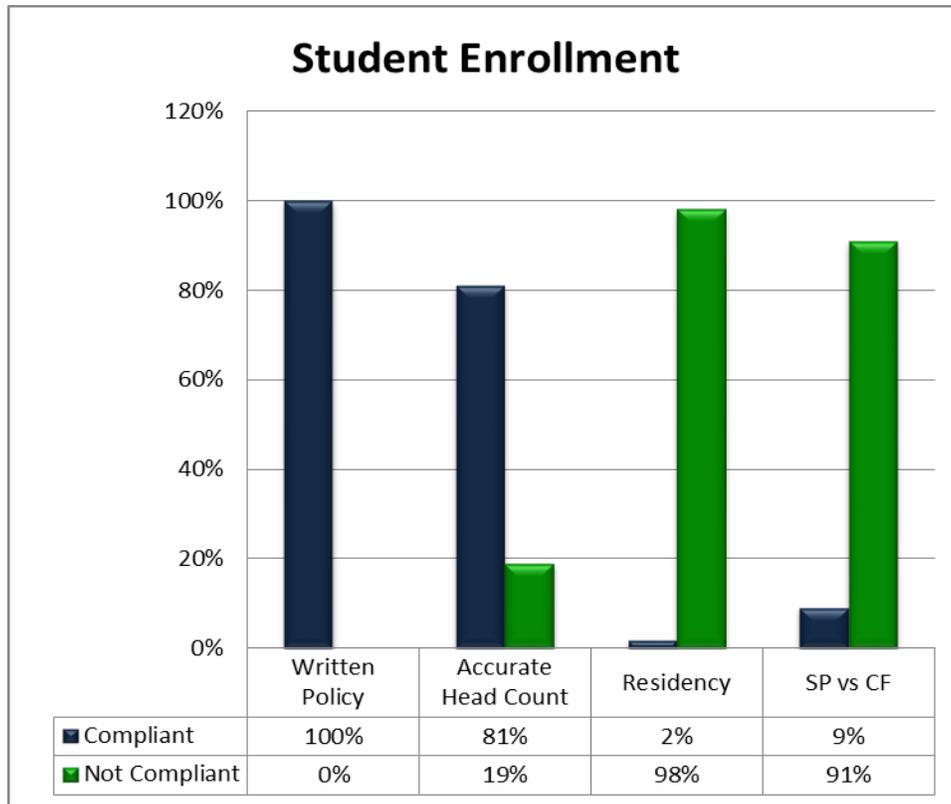
Student enrollment plays a significant role in a school district’s financial existence and survival. In order to enroll a student in the Mississippi public school system, there are State laws, MDE regulations, and school/district policies that must be followed. Audit work performed analyzed whether the school districts adhered to these rules and regulations.

As a part of the audit, OSA would perform the following tasks based on previous compliance:

- Ensure there was a written policy on enrollment requirements and procedures;
- Ensure the number of students enrolled in school was being reported accurately;
- Verify the school was following policy (laws and regulations from MDE) regarding enrollment; and
- Verify the selected student’s information was in the student package (SP) and was the same as the information kept in the student’s cumulative folder (CF).



Chart 2



Note: Head Counts were only conducted at 16 of the 46 districts audited. SP vs CF was verified in 44 of 46 districts audited.

Source: OSA audit review



Basing funding on enrollment, when data shows that districts are not able to account for their current enrollment, will result in districts receiving funding for students that are not actually enrolled. It will also provide incentive for districts to create "ghost students" as have been found in other states.

OSA conducted a headcount at 32 of the 133 schools (16 out of 46 districts) audited. As Chart 2 shows, 19% of districts were not able to account for all of the students being reported to MSIS as being enrolled and in attendance. This is of grave concern not only to OSA, but also to taxpayers and parents. Not only is this a funding issue, but a safety and quality of care issue as well. Districts obtain funding partially based on the number of students enrolled. If districts are inaccurately reporting the numbers of children enrolled and in attendance, then funding is being inaccurately disbursed. Additionally, parents expect that once their children are sent to school, the school knows where their children are at all times, but Chart 2 shows that this is not the case.

Further, with the Legislature considering amending the MAEP funding formula to take into account enrollment instead of attendance, this finding is even more important. Basing funding on enrollment, when data shows that districts are not able to account for their current enrollment, will result in districts receiving funding for students that are not actually enrolled. It will also provide incentive for districts to create "ghost students" as have been found in other states.

Chart 2 also shows a consistent failure of residency verification for the majority of districts audited. In 2014-2015, 98% of school districts were not compliant with ensuring that enrolled students were actually residents of the district, which is required by law. According to MDE JBCA policy... *all school districts will require students who are seeking to enroll or continue to enroll in a school district... shall verify the residence of each student...* While this policy does not state how often verification of residency should occur. MS Code §37-15-29 states: *...no minor child may enroll in or attend any school except in the school district of his residence...* **OSA recommends that MDE add to their JBCA policy that this verification be done annually in order to avoid confusion and general failure to check residency.** Failure to verify addresses may result in higher taxes because

homeowner taxes would be raised to help provide for the students living outside of the district; it may result in parents not receiving important information regarding their child; and it may make it virtually impossible for attendance officers to contact parents regarding excessive student absences as well.

Another area in which the school districts had consistent non-compliance was ensuring the student's demographic information kept in the student package was the same as the information kept in the student's cumulative folder. In 2014-2015, 91% of school districts were not in compliance. **OSA recommends that each school district review all policies related to student enrollment and ensure they are following those policies. Further, when student information is added, changed, or deleted in the student package; the same information should be added, changed, or deleted in the student's cumulative folder in order to comply with the MDE *Cumulative Folders and Permanent Records Manual of Directions*.**



Student Attendance/Absenteeism

Student attendance and absenteeism, for the purpose of this report, deals with policy related to student attendance and the validation of excused absence. During the 2013 Regular Session, the Legislature passed House Bill 1530. This bill modified MS Code Section 37-13-91(4) to define an unlawful absence as:

...an absence for an entire school day or during part of a school day by a compulsory-school-age child, which absence is not due to a valid excuse for temporary nonattendance. For purposes of reporting absenteeism under subsection (6) of this section, if a compulsory-school-age child has an absence that is more than thirty-seven percent (37%) of the instructional day, as fixed by the school board for the school at which the compulsory-school-age child is enrolled, the child must be considered absent the entire school day...

Because of MDE guidance, or lack thereof, that insisted that districts remove time periods for breaks in between classes, class changes, lunch, etc., most districts found it difficult to determine an accurate number for sixty-three percent of the instructional day.

OSA used this modification in law, along with district policy, as a guide during the 2014 – 2015 school year audits. Further, as a guidance for the review of excused absences, OSA referred to MS Code §37-13-91 titled Compulsory School Attendance Requirements, which conveys to the districts what constitutes a valid excused absence.

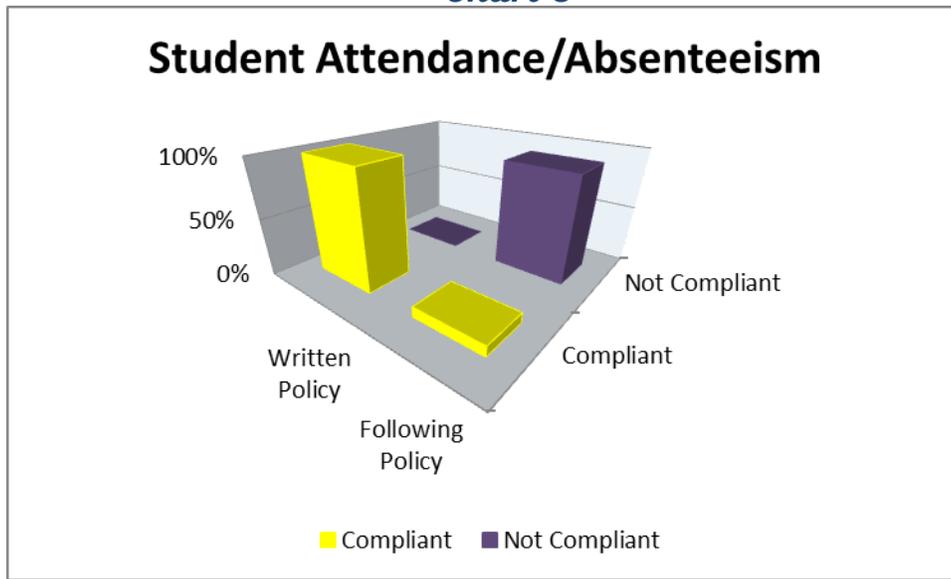
According to the MS Code §37-13-91(4) an excused absence is:

1. *An authorized school activity;*
2. *An illness or injury that prevents the child from physically being able to attend school;*
3. *Isolation ordered by the county health officer;*
4. *Death or serious injury of a member of the immediate family;*
5. *Attendance at court proceedings;*
6. *Observance of a religious event;*
7. *Valid educational travel or vacation; or*
8. *Superintendent or his designee/Handbook approved.*

During OSA audits, it was found that most districts had attempted to implement the changes in law regarding attendance. Because of MDE guidance, or lack thereof, that insisted that districts remove time periods for breaks in between classes, class changes, lunch, etc., most districts found it difficult to determine an accurate number for sixty-three (63%) percent of the instructional day. In spite of this issue, all of the 46 districts audited did an exceptional job of having written policy related to absenteeism. However, most school districts, as shown in Chart 3, were not following the written policies that had been established. **OSA recommends that MDE allow districts to base their attendance calculation on 63% of each school’s or student’s instructional day, without deducting out lunch, recess, breaks, etc. Further, OSA recommends that all school districts examine their individual policies regarding student absences and make certain that each school complies with the district’s policies.**



Chart 3



Note: Attendance/Absenteeism was reviewed at 45 of the 46 districts audited.
Source: OSA audit review

OSA will continue to monitor, during the 2015 – 2016 school year, districts’ compliance with the new attendance law and report any discrepancies or violations.

School Attendance Reporting

For the development and enhancement of educational needs of students, it is crucial for parents, teachers, administrators, and the community to encourage school attendance on a regular basis. Non-attendance greatly impacts the student, the school, and the community as a whole. Because of this impact, the State of Mississippi created the Mississippi Compulsory School Attendance Law (MS §37-13-91). Section 6 of this law relates directly to school attendance reporting and states: *...(6) If a compulsory-school-age child has not been enrolled in a school within fifteen (15) calendar days after the first day of the school year of the school which the child is eligible to attend or the child has accumulated five (5) unlawful absences during the school year of the public school in which the child is enrolled, the school district superintendent or his designee shall report, within two (2) school days or within five (5) calendar days, whichever is less, the absences to the school attendance officer...* Because of inconsistency in law and a disregard for school holidays, **OSA recommends that MDE change section six (6) of this law to read: “ If a compulsory-school-age child has not been enrolled in a school within five (5) school days after the first day of the school year of the school which the child is eligible to attend or the child has accumulated five (5) unlawful absences during the school year of the public school in which the child is enrolled, the school district superintendent or his designee shall report, within two (2) school days, the absences to the State attendance officer...”**

In addition, this section of the law also states...*The State Department of Education shall prescribe a uniform method for schools to utilize in reporting the unlawful absences to the school attendance officer...* OSA found that MDE had never prescribed a uniform method for schools to report unlawful absences. Right now, reporting methods are left up to each school district. This weakens accountability, accuracy, and undermines any potential study of attendance problems. **OSA recommends that MDE abide by the law and prescribe a uniform method for schools to utilize in reporting unlawful absences.**

Due to the confusion within the school districts as it relates to the “school” attendance officer versus the “State” attendance officer, OSA further recommends that MDE change section six (6) to read: “The State



Department of Education shall prescribe a uniform method for schools to utilize in reporting the unlawful absences to the State attendance officer...” In addition, MDE should provide clarification regarding the difference to all school districts.

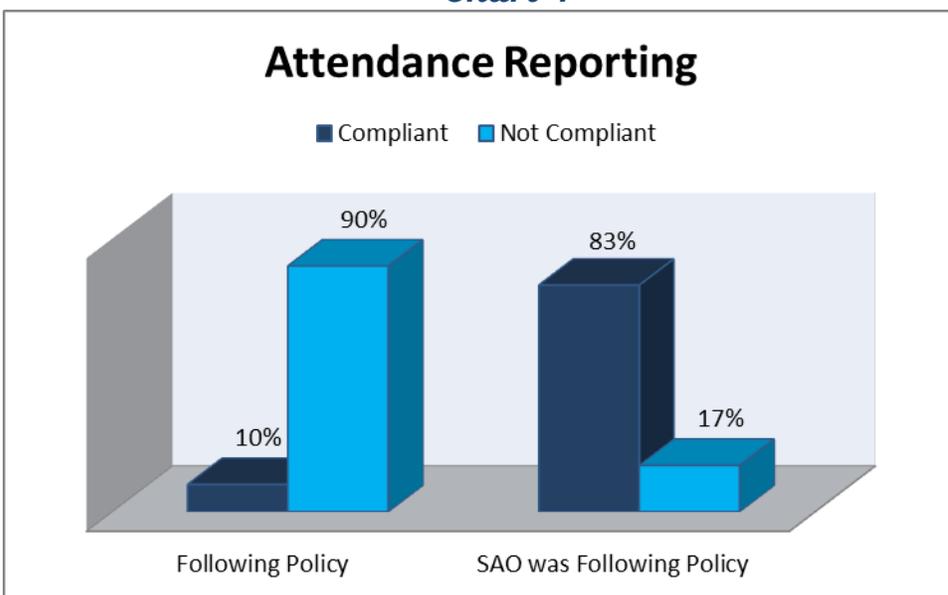
School district administrators who are not complying with truancy laws undermine the State’s effort to educate its youth.

During the 2014-2015 school audits, OSA determined that great attention needs to be given to this area. The districts are required by law to report students who have accumulated five (5) unexcused absences to the State attendance officer within five (5) calendar days or two (2) school days, whichever is less. OSA found that 90% of the 42 districts audited were not following policy when it came to reporting unexcused absences to the State attendance officer. The purpose of this law is to reduce the number of dropouts, increase graduation rate, and hold parents accountable for their children’s truancy. School district administrators who are not complying with this law undermine the State’s effort to educate its youth. **With this in mind, OSA recommends that each school district be required to become familiar with the Mississippi Compulsory School Attendance Law and adhere to each section of the law. In addition, OSA recommends that MDE create a policy that will affect a district’s accreditation and/or funding for failure to report truant students. Doing this provides the opportunity for early corrective action.**

This section of the audit also covers whether the school attendance officers (SAO), employed by MDE, were attempting to make contact with the student’s parent and/or guardian reported to them by the districts or filing petitions with the Youth Court as required by the Compulsory School Attendance Law and the MDE Compulsory Attendance Division Director. Even though 83% of the attendance officers were in compliance with this requirements, it was noted that in some instances, the attendance officers were assigned to an area too large for them to be effective.

Some attendance officers could not do much more than send letters to the parents of the students reported to them. In order for attendance officers to be both efficient and effective, their caseloads should be reduced to an amount that will allow them to work more diligently in securing a truant student’s attendance in school.

Chart 4



Therefore, it is OSA’s recommendation that the State Legislature and MDE consider increasing the number of attendance officers to cover the State. OSA believes this increase in attendance officers would improve the overall ability to track and correct truancy problems, as well as further reduce the dropout rate in Mississippi public schools.

Source: OSA audit review



Graduation

Before a student can graduate from a Mississippi public school, the student must pass Subject Area Tests (Algebra I; Biology I; US History from 1877; and English II, with a writing component), and they must earn a minimum number of Carnegie units. In addition to requirements being met, districts must complete certain forms, which must be signed by the school principal, verifying that the requirements of each student have been met.

Beginning in the 2011 – 2012 school year, students were given multiple pathways to a standard diploma. The requirements for each of those pathways are listed in Chart 5.

Chart 5

Career Pathway Option* 21 Credits***		Traditional Pathway Option* 24 Credits Minimum		District Option*** 21 Credits Minimum	
Graduation Requirements	Required Subjects	Graduation Requirements	Required Subjects	Graduation Requirements	Required Subjects
4 Credits of English 3 Credits of Math 3 Credits of Science 3 Credits of Social Studies	English I, English II Algebra I Biology I 1 U.S. History 0.5 U.S. Government 0.5 Mississippi Studies	4 Credits of English 4 Credits of Math 4 Credits of Science 4 Credits of Social Studies	English I, English II Algebra I Biology I 1 World History 1 U.S. History 0.5 Geography 0.5 U.S. Government 0.5 Economics 0.5 Mississippi Studies	4 Credits of English 4 Credits of Math 3 Credits of Science 3 Credits of Social Studies	English I, English II Algebra I Biology I 1 World History 1 U.S. History 0.5 U.S. Government 0.5 Mississippi Studies
0.5 Credit of Health/ Physical Education	0.5 Comprehensive Health, 0.5 Family and Individual Health, or 0.5 Physical Education	0.5 Credit of Health	0.5 Comprehensive Health or 0.5 Family and Individual Health	0.5 Credit of Health	0.5 Comprehensive Health or 0.5 Family and Individual Health
1 Credit of Integrated Technology	Computer Discovery, ICT II, 9th STEM, or Computer Applications and Keyboarding	0.5 Credit of Physical Education	0.5 Credit of Business & Technology	0.5 Credit of Physical Education	0.5 Credit of Business & Technology
4 Credits of Career and Technical Education Electives	From Student's Program of Study	1 Credit of Art	Computer Discovery, ICT II, 9th STEM, or Computer Applications and Keyboarding	1 Credit of Art	Computer Discovery, ICT II, 9th STE M, or Computer Applications and Keyboarding
2.5 Credits of Electives		5 Credits of Electives		4 Credits of Electives	
* Career and Traditional Pathway options are State Board required.					
** District Pathway Option is a local decision.					
*** The Career Pathway Option is available for all students beginning in 2011 – 2012.					



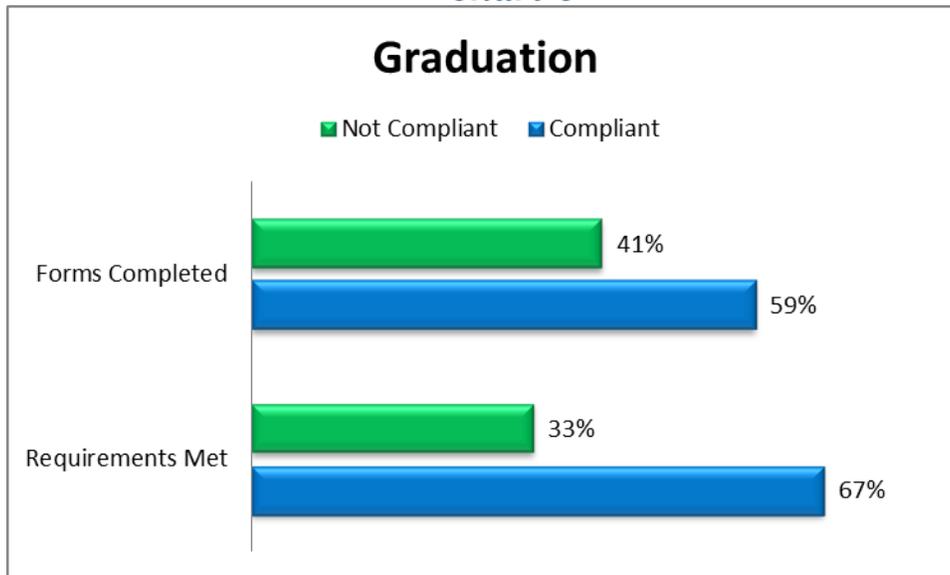
Fifty-five percent of districts audited graduated students that did not meet the minimum graduation requirements of this State.

In order for OSA to review the requirements related to graduation, a list of graduates from the previous school year was obtained. Chart 6 shows that students' graduation requirements were met at 6 of the 9 districts audited; while only 10 of the 17 districts reviewed had completed all the appropriate graduation forms. This is an administrative/record keeping problem that needs to be addressed to avoid any issues with students' graduation requirements.

This section was very alarming due to the fact that it relates to students who have already received their diplomas. However, one must be mindful that the superintendent of each school district is given an opportunity to respond to the audit conducted in their school district. In this response, it is possible that a finding regarding a student not meeting graduation requirements could have been explained.

First, OSA recommends that all students that did not meet the graduation requirements set by the MDE have their diplomas revoked. Second, in the future, a policy should be established to ensure that all graduation requirements are met and verified by district personnel before providing diplomas to students. Third, all required graduation forms should be completed in their entirety by the appropriate administrators. In addition, OSA requests that MDE, who has been informed of the graduation deficiencies, provide a report to the Legislature and the State Board of Education on actions they are taking to correct these problems.

Chart 6



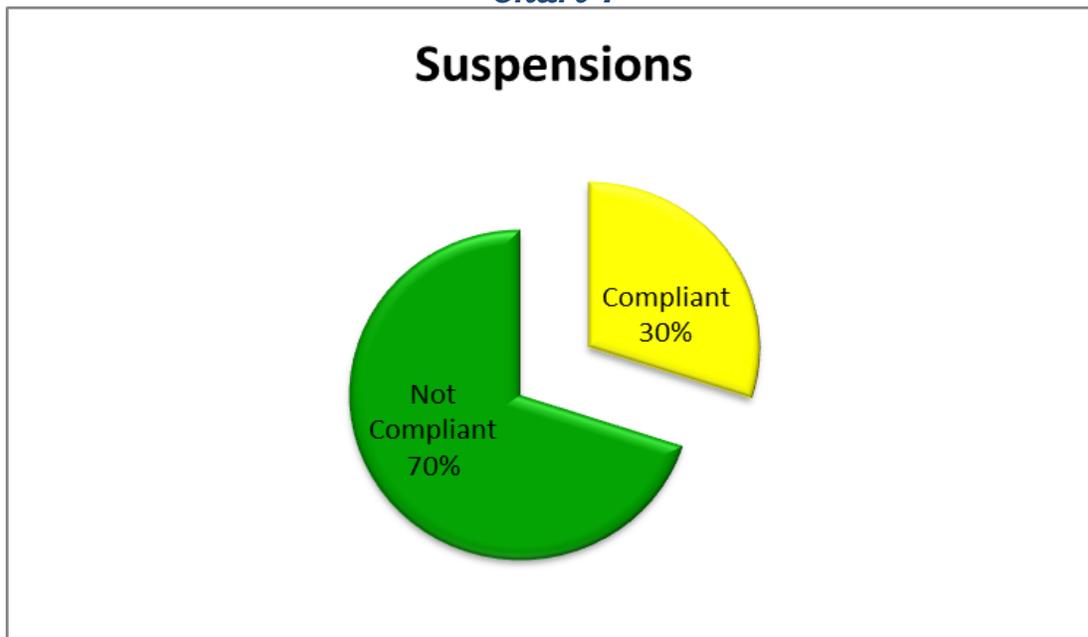
Note: Graduation requirements were assessed in 9 of the 46 districts audited. Graduation forms were reviewed in 17 of the 46 districts audited. Source: OSA audit review



Suspensions

According to MS §37-13-91 ...days missed from school due to disciplinary suspension shall not be considered an "excused" absence under this section... The code sections further states... *However, no absences shall be excused by the school district superintendent, or his designee, when any student suspensions or expulsions circumvent the intent and spirit of the compulsory attendance law. The superintendent, or his designee, also shall report any student suspensions or student expulsions to the school attendance officer when they occur...* During the 2014-2015 school audit review, OSA found that 70% of the districts reviewed were not following policy when it came to suspensions. **With this in mind, OSA recommends that each school district become familiar with the Mississippi Compulsory School Attendance Law, paying close attention to section six (6).**

Chart 7



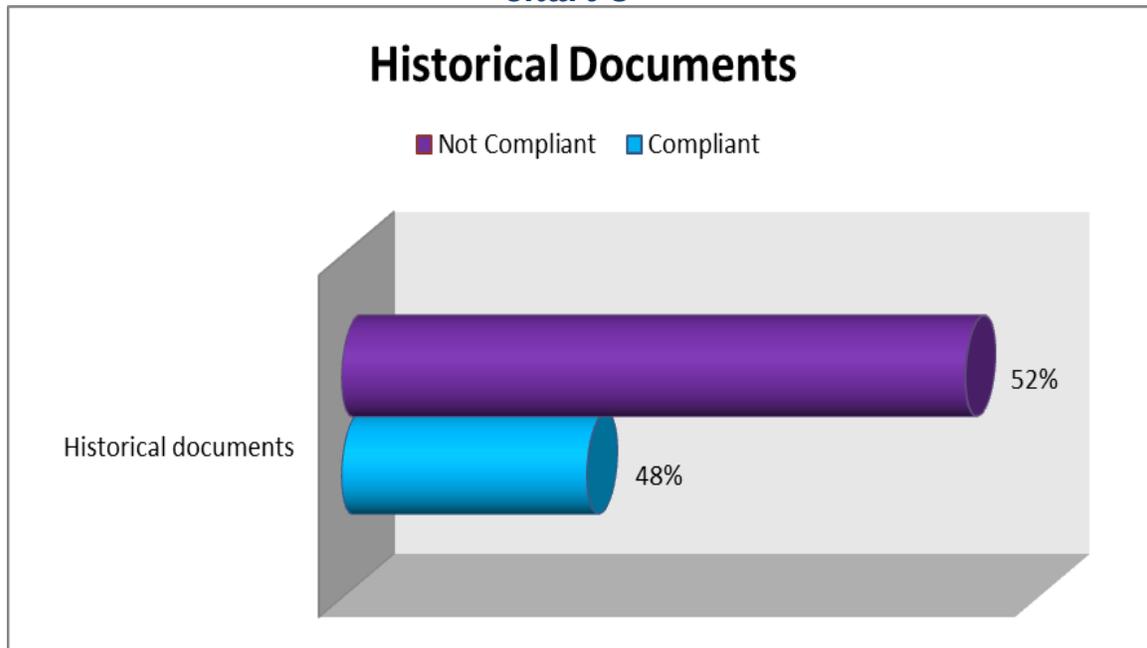
Note: Suspensions were reviewed at 40 out of the 46 districts reviewed.
Source: OSA audit review



Historical Documents

Mississippi Code Section 37-13-163(2) states: *Principals and teachers in each public elementary and secondary school of each school district in this state shall display on an appropriately framed background with minimum dimensions of eleven (11) inches by fourteen (14) inches, the following motto of the United States of America in each classroom, school auditorium and school cafeteria under his or her supervision: "IN GOD WE TRUST..."* Chart 8 shows that only 22 out of the 46 or 48% of the districts audited had this document properly posted. **OSA recommends that each district ensure this historical document, with the correct parameters, is displayed in every room that instruction takes place, thus complying with State law.**

Chart 8



Source: OSA audit review

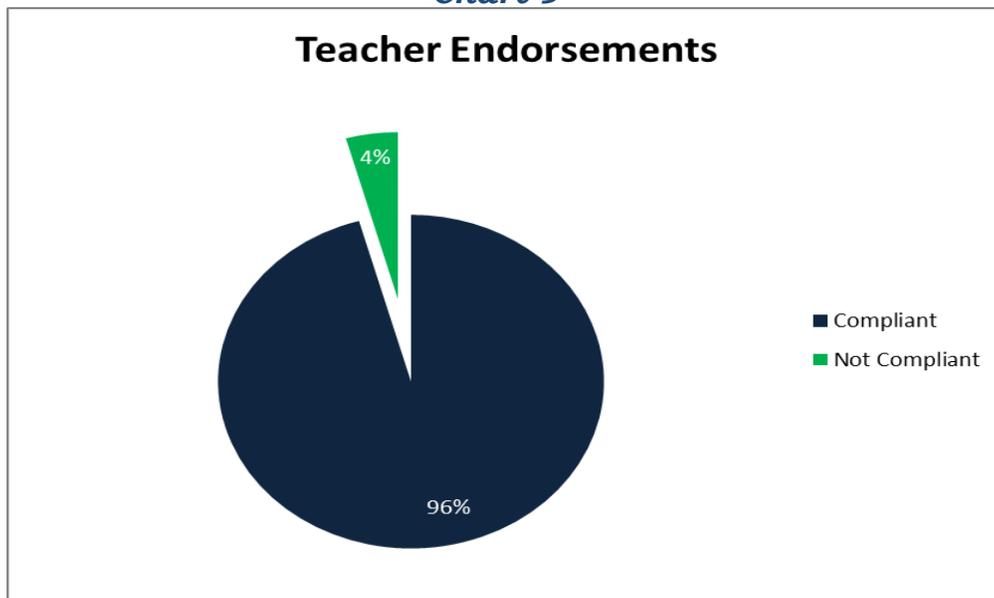


Teacher Endorsements

Emphasis is continuously placed on the importance of achievement in core subject areas throughout a student's enrollment. Students rely on their instructors to provide them with an understanding of a wide range of subjects they are required to master. Without a teacher that is knowledgeable, licensed, and trained in the area being taught; it is remiss to hold students accountable for failure in any of these subject areas.

With this in mind, OSA determined that if student achievement is a tool to define the excellence of this State, then attention should be given to whether the teachers, who play an integral role in this achievement, have the required credentials. Ninety-six percent (96%) of the teachers reviewed in all 46 districts were properly endorsed for the subjects they taught. One of the districts, that were not in compliance, submitted documentation in their response showing they were attempting to obtain the proper certification for the teacher to teach the subjects being taught.

Chart 9



Source: OSA audit review



OSA found that none of the districts audited provided textbooks to each student enrolled in the selected classes in the schools audited.

Textbooks

State law defines a textbook as any medium or manual of instruction that contains a systematic arrangement of the principles of a subject. Therefore, this definition does not limit instructional materials to simply a physical or traditional, bound book. The actual materials used to accomplish established goals and objectives for each subject are determined by each district and differ from district to district, school to school, subject to subject, and sometimes, teacher to teacher. However, the law does state that all “textbooks” shall be distributed and loaned free for charge to the students. It also says that teachers shall permit all students to take home the “textbooks” loaned to them.

OSA found that none of the 46 districts audited provided textbooks to each student enrolled in the selected classes in the schools audited. In order to gain insight as to why such a large number of districts were not in compliance with this law, teachers and administrators were asked why all students are not provided textbooks. The answers OSA received varied from budget constraints, to no need to take home books due to no homework being assigned, to punishment for unpaid book fines, to a lack of alignment with current testing materials and/or curriculums. OSA also found that in lower elementary schools, consumables or worksheets, which if copied without publisher permission, could violate copyright laws, but were the predominate instructional mediums utilized.

Because the law is specific regarding the issuance of textbooks to each child, OSA had to find districts not in compliance with the law because most schools did not issue such to each child. Even though the law was updated only a few years ago to broaden the definition of a textbook, it may still need some additional modifications to make it relevant and meaningful for today’s school and student environment. **With advancements in technology and the ever-changing state of the economy, OSA recommends that the Mississippi Department of Education work with the Legislature to make modifications to the law. These changes should allow for materials that are not necessarily distributable and take into consideration changes to curriculums and testing materials. While it is OSA’s belief that each child should be provided all the tools necessary to succeed, currently this law does not particularly allow districts to do this without violating the letter of the law.**



Property Internal Controls

The Property Division (Property) of the Office of the State Auditor is responsible for ensuring that the State public schools are held accountable for fixed assets such as: land, buildings, equipment, furniture, and other personal property owned by the school district. In March 1997, Property developed a manual, *Mississippi Public School Asset Management Manual*, to guide school districts in the management of fixed assets. This manual is updated periodically.

According to this manual, "property" is defined as all furniture, vehicles, equipment, and other personal property having a useful life expectancy of at least one year and with a threshold of \$1,000 or more. In addition, there are certain property items that must be included on a school district inventory regardless of the price paid by the school district to acquire the item or the fair market value of the item. These items include – weapons, cameras and camera equipment (equal to or greater than \$250), two way radio equipment, televisions (equal to or greater than \$250), lawn maintenance equipment, computer and computer equipment (equal to or greater than \$250), chain saws, air compressors, welding machines, generators, motorized vehicles, and cellular phones. "Property" does not include: carpeting, draperies, installed floor-to-ceiling partitions, window shades or blinds, mattresses and box springs, water heaters, installed drinking fountains, museum accessions, library books, films, or archival collections. Duties of the school district property managers are to:

- Maintain a master fixed assets inventory ledger;
- Maintain property and equipment (general fixed assets) records by posting additions and deletions;
- Periodically audit and verify inventory records and equipment (general fixed assets); and
- Report findings to the School Board.

Currently, MDE does not review, monitor, or have policies on how fixed assets should be handled within the State’s public schools. This can result in millions of dollars of lost, missing, or improperly recorded assets. **OSA recommends that MDE develop minimum standards and policies on the management and monitoring of fixed assets in all school districts.** Just like student packages, there are a number of accounting systems used to manage fixed assets within the State. In an attempt at uniformity, **OSA recommends that MDE mandate one software package to track and/or monitor fixed assets.**

Chart 6 lists the six (6) accounting software systems that are currently being used to track inventory.

Chart 9

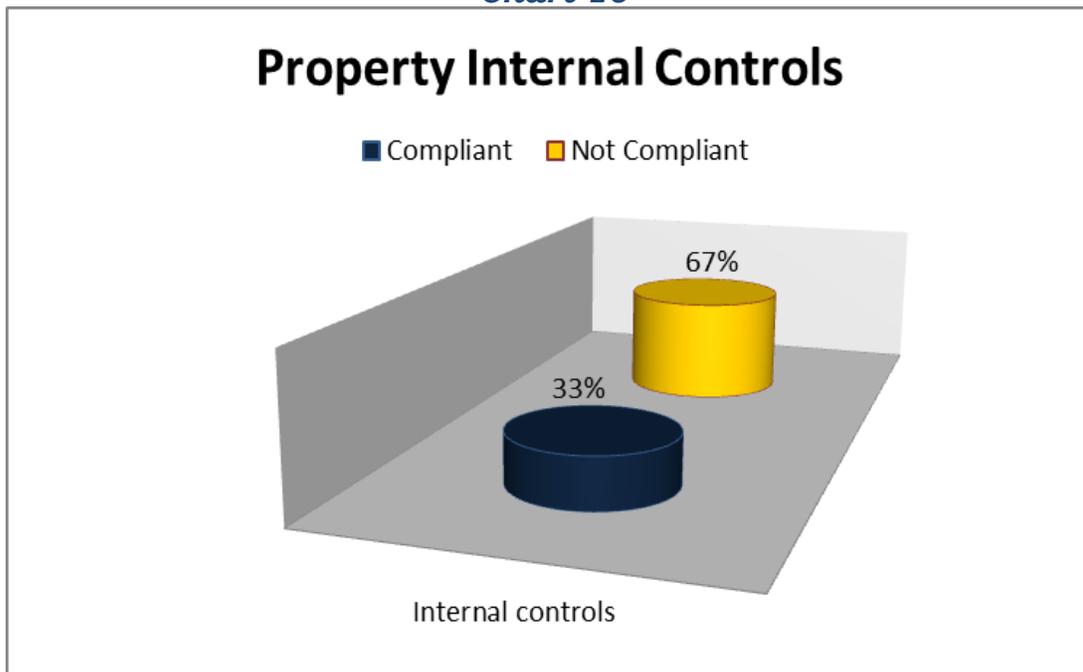
<i>Name of Accounting Software</i>	<i>Number of Districts Using the Software</i>
<i>Courage-Integrity</i>	35
<i>Marathon</i>	66
<i>Innovak</i>	25
<i>Harris Soluntions</i>	17
<i>Jenzabar</i>	1
<i>MUNIS</i>	2

Source: MDE website – www.mde.k12.ms.us



During the 2014–2015 school audits, OSA interviewed the fixed assets coordinator or the business manager at each selected district to determine what internal controls over property were in place. A review of purchase orders from the prior school year and a physical check of those items was conducted to determine whether districts were adhering to the policies they established. Chart 10 indicates that only 33% of the districts audited had and were following policy with regard to property inventory controls. The problem in this area is two-fold. On one side, some of the districts did not have a standard written policy; the policy was a word of mouth policy passed on from person to person. On the other side, if there was a policy in place, it was not being followed. **Therefore, OSA recommends that the Department of Education require each school district to establish a written policy regarding the internal controls over property. In addition, each district should utilize the established policy, along with the Mississippi Public School Asset Management Manual, for all fixed assets purchased by the district in order to curtail the potential waste of taxpayer money.**

Chart 10



Source: OSA audit review

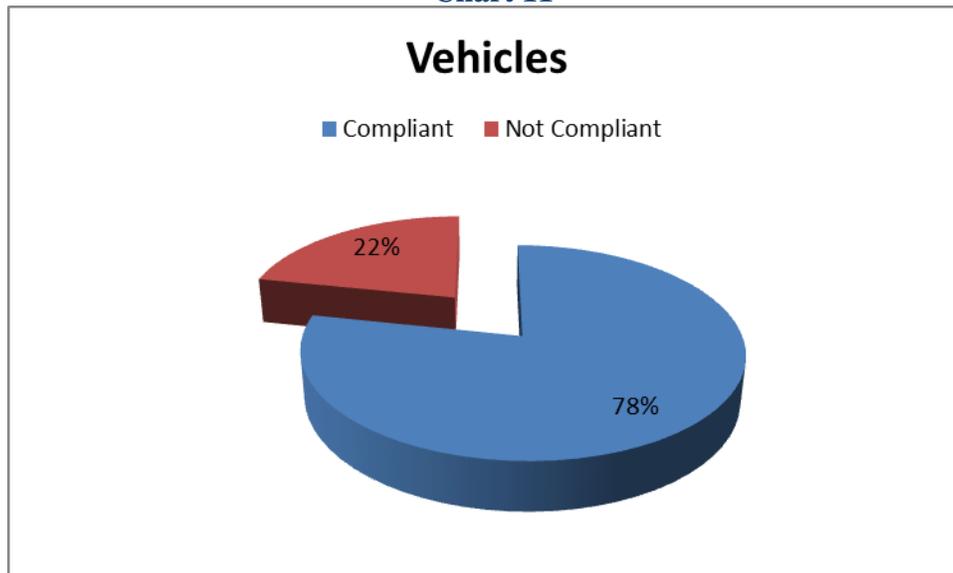


Vehicles

Mississippi Code Section 25-1-87 states: *All motor vehicles owned or leased by the State of Mississippi or any agency, department or political subdivision thereof... shall have painted on both sides in letters at least three (3) inches in height, and on the rear in letters not less than one and one-half (1 1/2) inches in height, the name of the state agency or department, or political subdivision... in a color which is in contrast with the color of the vehicle; provided, however, that a permanent decal may be used in lieu of paint, and provided further, that any municipality may affix a permanent decal or design at least twelve (12) inches in height and twelve (12) inches in width on both sides of the vehicle with the name of the municipality within or across the permanent decal or design, and the permanent design or decal shall be in a color or colors which are in contrast with the color of the vehicle...*

During the 2014 – 2015 school year audits, OSA conducted a review of the district owned vehicles to ensure compliance with the above mentioned code section. As a result, OSA found that only 78% of the districts audited were in compliance with this law. OSA must note; however, that each district that was not in compliance corrected this finding by the time a district response was submitted.

Chart 11



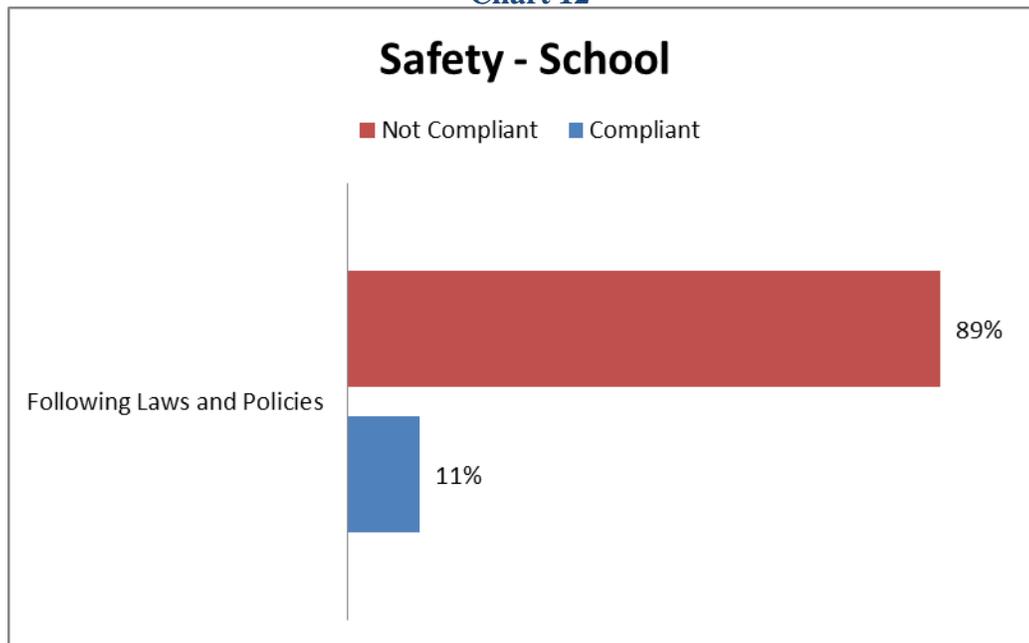
Source: OSA audit review



School Safety

School safety is a topic that is of grave concern to lawmakers, administrators, teachers, parents, students, and the public in general. Everyone wants to make sure children are able to attend school in an environment that is conducive to learning and does not cultivate a feeling of fear or anxiety. Because of this, laws, MDE policies, and district/school policies have been put into place to protect our most precious possessions. With that in mind, OSA added a review of each school's, along with the corresponding district's, compliance with all safety laws, policies, and procedures. To OSA's astonishment, only 11% (see Chart 12) of the schools and 37% (see Chart 13) of the districts audited were in compliance with all established safety rules and regulations. Although these numbers are cause for concern, the areas of non-compliance are not as alarming as the actual actions that are taking place in the schools. For example, a school only completing 8 of the 9 required fire drills for the year would cause non-compliance for the school; however, having a visitor policy would not warrant a finding, but a visitor having the ability to enter school grounds without being stopped by office or school personnel is of great concern. It is these types of issues that are not necessarily represented by the numbers, but require more attention by all parties involved. **As a result, OSA recommends that all districts and schools not only ensure that they are in compliance with all laws and policies, but also that those policies are being enforced in a manner such that the ultimate goal and purpose — student safety — of those laws are policies are being accomplished.**

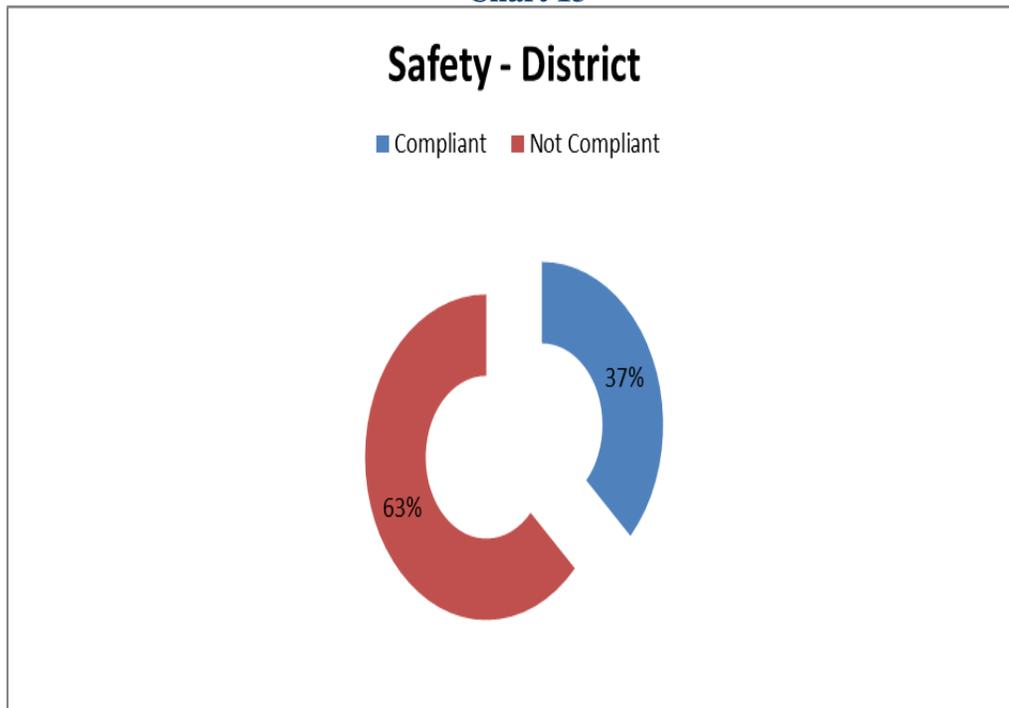
Chart 12



Source: OSA audit review



Chart 13



Source: OSA audit review

Conclusion

The Office of the State Auditor is tasked with auditing certain data elements in the school districts within the State. As a result, an audit plan, which entailed most of those elements was created. The OSA has been able to audit most districts in the State utilizing this audit tool. These audits gave OSA, as well as MDE, a look into the compliance of school districts with State laws, MDE policies, and district/school policies.

The audits revealed to OSA that every school district audited desired to comply with all laws and policies that exist. The frustration over the lack of knowledge and training was apparent and whenever the opportunity existed, OSA assisted as much as possible.

OSA will continue to monitor the compliance of school districts with the data elements discussed above. Additional elements that are a part of the Mississippi Adequate Education Program (MAEP) funding formula will also be added in the future. As audits are performed and results are analyzed, the audit plan, along with this report, will be adjusted to add and/or delete elements as needed.



For more information about this issue, contact

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