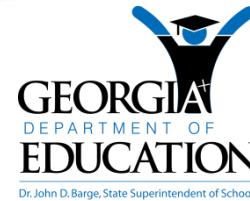


Fiscal Compliance and Accountability Monitoring

**Dr. Harry Repsher
Budget Specialist**

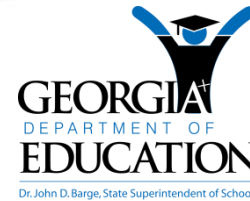
**Georgia Department of Education
Division for Special Education Services and Supports**

What is it??



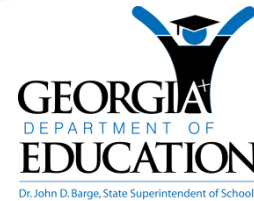
- **State has a general supervision responsibility for the implementation of IDEA grants (300.149) and to improve educational results (300.600).**
- **State must use qualitative and quantifiable indicators to measure LEA performance to meet State targets (300.600) and make determinations for continuous monitoring.**
- **Previously, LEA fiscal compliance was included through the application and audit process.**
- **OSEP wants all States to ensure and verify LEA fiscal compliance and accountability.**

Why now??



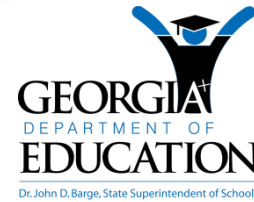
- **OMB and OSEP have a new emphasis on fiscal compliance and accountability.**
- **Georgia has increased its emphasis on fiscal risk assessments.**
- **OSEP is conducting desk audits and on-site State visits with a focus on procedures and evidence of State and LEA compliance in fiscal accountability (Alabama visit in November).**

Why now??



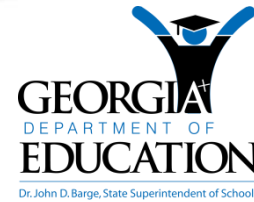
- **December 2010, OSEP released new monitoring activities for IDEA ARRA funds. OSEP will use these 4 state monitoring principals to assess the distribution and use of funds:**
- **State procedures are designed to ensure accountability**
 - **State controls are reasonably designed to ensure use of funds to meet IDEA and ARRA requirements**
 - **Funds reach intended recipients and achieve results**
 - **State procedures are reasonably designed to ensure that fraud, waste or abuse of funds are promptly identified and mitigated**

How??



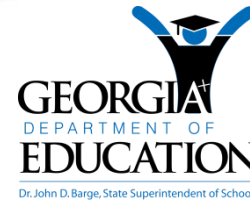
- **Division is collaborating with the Finance and Business Office and Internal Auditor to develop:**
 - **Department-wide operational procedures manuals**
 - **Division Handbook for Special Education Directors on the fiscal management of the state and federal grants**
 - **Division comprehensive monitoring plan to include fiscal desk audits and on-site visits**
 - **Fiscal Self-Assessment questions to provide baseline data on special education directors' understanding of fiscal responsibilities within the LEA**

Division's Fiscal Compliance and Accountability Basics



- **Fiscal Compliance and Monitoring procedures consists of 3 basic parts:**
 - 1. LEA Consolidated Application Review and Monitoring of Funds**
 - 2. Baseline and Six Year Cycle Fiscal Monitoring Self-Assessment during Records Review**
 - 3. Annual Determination for High Risk Assessment**

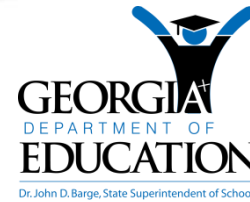
Division's Fiscal Compliance and Accountability Basics



1. Annual LEA Application Review and Monitoring

- Review/revise and get approval of special education portion of each district's CLIP.
- Review/revise and approve unique data elements with IDEA budget (Proportionate Share, CEIS, MOE and Personnel tabs and LPP attachment).
- Review/revise and approve budgets and carryover/amendments.
- Monitor draw down of funds in January to June.
- Review and clear single audit report findings.

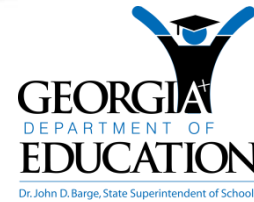
Division's Fiscal Compliance and Accountability Basics



2. Base and Six Year Cycle Fiscal Monitoring Self-Assessment

- **Fiscal self-assessment provided base year for all special education directors in FY2011.**
- **Once every six years the Records Review Specialist will provide the fiscal self-assessment form to special education directors to complete during the on-site technical assistance visit.**

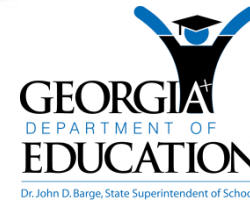
Division's Fiscal Compliance and Accountability Basics



3. Annual Determination for High Risk Assessment

- **Financial Review Section does a district risk assessment based on new personnel, financial statement findings, federal award findings, auditor's opinion, various fund deficits and timely reporting.**
- **The Division risk assessment includes the special education cluster audit findings or irregularities, timely reporting, new personnel, evidence of corrective action plans and attendance at training sessions.**

Determining LEA Final Risk Rating



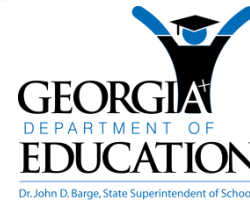
1. Add Financial Review and Division Risk Ratings

- Risk Score – 0 to 25 = Low Risk
- Risk Score – 26 to 100 = Medium Risk
- Risk Score – > 100 = High Risk

2. Regardless of the Final Risk Rating the LEA will be Monitored Automatically if the:

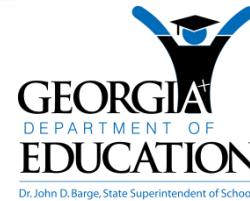
- Department requires the monitoring visit.
- Special education cluster has fiscal irregularities and/or return of funds.
- Special education audit finding appears for 2 years in a row.
- Completion reports have over 125% variance for 2 years.

Risk Group Interventions



- **Low Risk – Once every six years the Record Review Specialist will conduct a Records Review and Fiscal Self-Assessment during the on-site technical assistance visit.**
- **Medium Risk – Once every six years the Record Review Specialist will conduct a Records Review and Fiscal Self-Assessment during the on-site technical assistance visit. Fiscal monitoring review occurs if Division score is greater than 50.**
- **High Risk – Fiscal monitoring review occurs unless high risk score is due to FBO scores only and the Division score is low risk plus no special education audit findings.**

Next Steps



- **Determination of mandatory and high risk LEAs to receive on-site special education fiscal monitoring .**
- **Letter to Superintendent with copy to directors to schedule the on-site visits this winter and spring.**
- **Determine potential noncompliance and noncompliance corrective action plan and timeline procedures.**

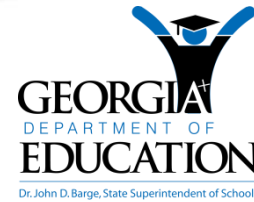
NOTE: Remember that a key factor in any audit is that responsible officials spend funds for allowable and reasonable purposes and have the records to prove it.

I EXPECT YOU TO BE TOUGH! GET OUT
THERE AND INSPECT THOSE SCHOOLS
MAKE 'M TOE TH' LINE! PLAY NO FAVORITES!



BUT DON'T MAKE ANYBODY MAD





For additional information contact:

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404-657-9968