

KERN HIGH SCHOOL DISTRICT

Audit Report

AIDS PREVENTION INSTRUCTION PROGRAM

Chapter 818, Statutes of 1991

July 1, 2001, through June 30, 2003



STEVE WESTLY
California State Controller

December 2005



STEVE WESTLY
California State Controller

December 30, 2005

Donald E. Carter, Ed.D., Superintendent
Kern High School District
5801 Sundale Avenue
Bakersfield, CA 93309

Dear Dr. Carter:

The State Controller's Office audited the costs claimed by the Kern High School District for the legislatively mandated AIDS Prevention Instruction Program (Chapter 818, Statutes of 1991) for the period of July 1, 2001, through June 30, 2003.

The district claimed \$602,223 for the mandated program. Our audit disclosed that the entire amount is allowable. The State paid the district \$241,494. The State will pay allowable costs claimed that exceed the amount paid, totaling \$360,729, contingent upon available appropriations.

If you have any questions, please contact Jim L. Spano, Chief, Compliance Audits Bureau, at (916) 323-5849.

Sincerely,

Original Signed By:

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/ams:wq

cc: David Chalupa, Director of Fiscal Services
Kern High School District
Don McKenzie, Accountant
Kern High School District
Larry E. Reider, Ed.D., Kern County Superintendent of Schools
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
Gerry Shelton, Director
Fiscal and Administrative Services Division
California Department of Education
Jeannie Oropeza, Program Budget Manager
Education Systems Unit
Department of Finance

Contents

Audit Report

Summary	1
Background	1
Objective, Scope, and Methodology	2
Conclusion	3
Views of Responsible Official	3
Restricted Use	3
Schedule 1—Summary of Program Costs.....	4

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Kern High School District for the legislatively mandated AIDS Prevention Instruction Program (Chapter 818, Statutes of 1991) for the period of July 1, 2001, through June 30, 2003. The last day of fieldwork was September 28, 2004.

The district claimed \$602,223 for the mandated program. Our audit disclosed that the entire amount is allowable. The State paid the district \$241,494. The State will pay allowable costs claimed that exceed the amount paid, totaling \$360,729, contingent upon available appropriations.

Background

Chapter 818, Statutes of 1991 added *Education Code* Sections 51201.5 and 51229.8. Chapter 650, Statutes of 2003, moved the content to Sections 51934 and 51935, respectively. Chapter 818, Statutes of 1991, requires school districts with pupils in grades 7 through 12 to do the following:

- Cooperatively plan and conduct in-service training for all teachers and school employees who provide AIDS prevention instruction;
- Provide appropriate written notice explaining the purpose of the AIDS prevention instruction to each pupil's parent or guardian; and
- Participate in the selection and purchase of AIDS instructional materials.

Chapter 403, Statutes of 1998, amended *Education Code* Section 51201.5 and added Section 51554. Chapter 650, Statutes of 2003, moved the content to Sections 51934 and 51930, respectively. Chapter 403, Statutes of 1998, added new mandate activities for school districts, as follows:

- Include various information in the AIDS prevention instruction;
- Revise the annual parent or guardian notifications regarding the parent or guardian's right to obtain a copy of specified *Education Code* sections from the school district;
- Keep file copies of the specified *Education Code* sections and make them available to parents or guardians on request;
- Notify parents or guardians by mail (or other notification method used by the school district) each time an outside organization or guest speaker is scheduled to deliver AIDS prevention instruction and each time an assembly is held to deliver AIDS prevention instruction. This activity is considered a mandate if the notification relates to the twice-required AIDS prevention instruction (once in junior high or middle school and once in high school); and

- Notify parents or guardians, at the beginning of each school year or whenever a new pupil enrolls, about instruction on sexually transmitted diseases, AIDS, human sexuality, or family life that is delivered in an assembly, by a district-employed teacher or administrator, only if the notification relates to the twice-required AIDS prevention instruction.

Chapter 234, Statutes of 1999, amended *Education Code* Section 51553(b)(1)(A) and moved the content to Section 51930. The law states that factual information presented in course material and instruction shall be medically accurate and objective.

On February 25, 1993, the Commission on State Mandates (COSM) determined that *Education Code* Section 51201.5 and 51229.8 imposed a state mandate reimbursable under *Government Code* Section 17514.

On October 24, 2002, COSM determined that *Education Code* Section 51201.5, as amended, and Section 51554 imposed a state mandate reimbursable under *Government Code* Section 17514.

Parameters and Guidelines establishes the state mandate and define reimbursement criteria. COSM adopted *Parameters and Guidelines* on July 22, 1993, and last amended it on December 2, 2003. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for mandated programs, to assist local agencies and school districts in claiming reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the AIDS Prevention Instruction Program for the period of July 1, 2001, through June 30, 2003.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted the audit according to *Government Auditing Standards*, issued by the Comptroller General of the United States, and under the authority of *Government Code* Section 17558.5. We did not audit the district's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that costs claimed were allowable for reimbursement. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

For the audit period, the Kern High School District claimed \$602,223 for costs of the AIDS Prevention Instruction Program. Our audit disclosed no material instances of non-compliance with the requirements outlined above.

For fiscal year (FY) 2001-02, the State paid the district \$241,494. Our audit disclosed that \$283,806 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$42,312, contingent upon available appropriations.

For FY 2002-03, the State did not reimburse the district. Our audit disclosed that \$263,927 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$263,927, contingent upon available appropriations.

**Views of
Responsible
Official**

We issued a draft report on September 9, 2005. Grant Herndon, Counsel, responded by letter dated October 3, 2005, with additional information. We reviewed the additional information and determined that the entire amount claimed is allowable.

Restricted Use

This report is solely for the information and use of the Kern High School District, the Kern County Office of Education, 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 intended to limit distribution of this report, which is a matter of public record.

Original Signed By:

JEFFREY V. BROWNFIELD
Chief, Division of Audits

**Schedule 1—
Summary of Program Costs
July 1, 2001, through June 30, 2003**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>
<u>July 1, 2001, through June 30, 2002</u>		
Salaries and benefits	\$ 244,347	\$ 244,347
Services and supplies	22,939	22,939
Total direct costs	267,286	267,286
Indirect costs	16,520	16,520
Total direct and indirect costs	283,806	283,806
Less offsetting savings/reimbursements	—	—
Total program costs	<u>\$ 283,806</u>	283,806
Less amount paid by the State		<u>(241,494)</u>
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (42,312)</u>
<u>July 1, 2002, through June 30, 2003</u>		
Salaries and benefits	\$ 276,018	\$ 276,018
Services and supplies	28,038	28,038
Total direct costs	304,056	304,056
Indirect costs	14,361	14,361
Total direct and indirect costs	318,417	318,417
Less offsetting savings/reimbursements	—	—
Total program costs	<u>\$ 318,417</u>	318,417
Less amount paid by the State		—
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 318,417</u>
<u>Summary: July 1, 2000, through June 30, 2003</u>		
Salaries and benefits	\$ 520,365	\$ 520,365
Services and supplies	50,977	50,977
Total direct costs	571,342	571,342
Indirect costs	30,881	30,881
Total direct and indirect costs	602,223	602,223
Less offsetting savings/reimbursements	—	—
Total program costs	<u>\$ 602,223</u>	602,223
Less amount paid by the State		<u>(241,494)</u>
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 360,729</u>

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

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