

# **AZUSA UNIFIED SCHOOL DISTRICT**

Audit Report

## **CALIFORNIA ASSESSMENT OF STUDENT PERFORMANCE AND PROGRESS PROGRAM**

Chapter 489, Statutes of 2013;  
and Chapter 32, Statutes of 2014

*July 1, 2014, through June 30, 2016*



**BETTY T. YEE**  
California State Controller

August 2022



**BETTY T. YEE**  
**California State Controller**

August 4, 2022

**CERTIFIED MAIL—RETURN RECEIPT REQUESTED**

Arturo Ortega, Superintendent  
Azusa Unified School District  
546 South Citrus Avenue  
Azusa, CA 91702

Dear Mr. Ortega:

The State Controller's Office audited the costs claimed by Azusa Unified School District for the legislatively mandated California Assessment of Student Performance and Progress Program for the period of July 1, 2014, through June 30, 2016.

The district claimed \$236,210 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for unsupported costs. The State made no payments to the district.

Following issuance of this audit report, the Local Government Programs and Services Division of the State Controller's Office will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

*Original signed by*

**KIMBERLY TARVIN, CPA**  
Chief, Division of Audits

KT/lis

cc: Latasha Jamal, Assistant Superintendent of Business Services

Azusa Unified School District

Shannon Norris, Director of Fiscal Services

Azusa Unified School District

Adrian Greer, President, Board of Education

Azusa Unified School District

Octavio Castelo, Director

Business Advisory Services

Los Angeles County Office of Education

Elizabeth Dearstyne, Director

School Fiscal Services Division

California Department of Education

Amy Tang-Paterno, Director

Government Affairs Division

California Department of Education

Christopher Ferguson, Program Budget Manager

Education Systems Unit

California Department of Finance

Melissa Ng, Principal Program Budget Analyst

Education Systems Unit

California Department of Finance

Darryl Mar, Manager

Local Reimbursement Section

State Controller's Office

Everett Luc, Supervisor

Local Reimbursement Section

State Controller's Office

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Audit Authority.....</b>	<b>3</b>
<b>Objective, Scope, and Methodology .....</b>	<b>3</b>
<b>Conclusion .....</b>	<b>3</b>
<b>Follow-up on Prior Audit Findings.....</b>	<b>4</b>
<b>Views of Responsible Officials.....</b>	<b>4</b>
<b>Restricted Use .....</b>	<b>4</b>
<b>Schedule—Summary of Program Costs .....</b>	<b>5</b>
<b>Finding and Recommendation .....</b>	<b>7</b>

# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by Azusa Unified School District for the legislatively mandated California Assessment of Student Performance and Progress (CAASPP) Program for the period of July 1, 2014, through June 30, 2016.

The district claimed \$236,210 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the district claimed reimbursement for unsupported costs. The State made no payments to the district.

## Background

California Education Code section 60640, as amended by the Statutes of 2013, Chapter 489 (Assembly Bill 484) and the Statutes of 2014, Chapter 32 (Senate Bill 858); and Title 5, California Code of Regulations, sections 850, 852, 853, 853.5, 857, 861(b)(5), and 864, as added or amended by Register 2014, Numbers. 6, 30, and 35, established the CAASPP Program and replaced the Standardized Testing and Reporting Program, effective January 1, 2014. The CAASPP Program requires school districts to transition from paper and pencil multiple-choice tests to computer-based tests.

On January 22, 2016, the Commission on State Mandates (Commission) adopted a decision finding that the test claim statutes and regulations impose a reimbursable state-mandated program upon school districts within the meaning of Article XIII B, Section 6 of the California Constitution and Government Code (GC) section 17514.

The Commission adopted the parameters and guidelines on March 25, 2016. The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program reimbursable costs.

The Commission found that each claimant is allowed to claim and be reimbursed for the following ongoing activities identified in the parameters and guidelines (Section I., "Summary of the Mandate"):

- Beginning January 1, 2014, provide "a computing device, the use of an assessment technology platform, and the adaptive engine" to administer the CAASPP assessments to all pupils via computer, which includes the acquisition of and ongoing compliance with minimum technology requirements.
- Beginning February 3, 2014, the local educational agency (LEA) CAASPP coordinator shall be responsible for assessment technology, and shall ensure current and ongoing compliance with minimum technology specifications as identified by the CAASPP contractor(s) or consortium.
- Beginning February 3, 2014, notify parents or guardians each year of their pupil's participation in the CAASPP assessment system, including notification that notwithstanding any other provision of law, a parent's or guardian's written request to excuse his or her child from any of all parts of the CAASPP assessments shall be granted.

- Beginning February 3, 2014, score and transmit the CAASPP tests in accordance with manuals or other instructions provided by the contractor or the California Department of Education (CDE).
- Beginning February 3, 2014, identify pupils unable to access the computer-based version of the CAASPP tests, and report to the CAASPP contractor the number of pupils unable to access the computer-based version of the test.
- Beginning February 3, 2014, report to CDE if a pupil in grade 2 was administered a diagnostic assessment in language arts and mathematics that is aligned to the common core academic content standards pursuant to Education Code section 60644.
- Beginning February 3, 2014, comply with any and all requests from CAASPP contractors, and abide by any and all instructions provided by the CAASPP contractor or consortium, whether written or oral, that are provided for training or provided for in the administration of a CAASPP test.
- Beginning August 27, 2014, the CAASPP test site coordinator shall be responsible for ensuring that all designated supports, accommodations, and individualized aids are entered into the registration system.

Section VII (“Offsetting Revenues and Reimbursements”) of the parameters and guidelines states:

. . . The following state and federal funds must be identified as offsetting revenues:

- Statutes 2013, chapter 48 (\$1.25 billion in Common Core implementation funding), *if* used by a school district on any of the reimbursable CAASPP activities to support the administration of computer-based assessments.
- Funding apportioned by SBE [the State Board of Education] from Statutes 2014, chapter 25, Line Item 6110-113-0001, schedule (8), for fiscal year 2013-2014 CAASPP costs.
- Funding apportioned by SBE from Statutes 2015, chapter 10, Line Item 6110-113-0001, schedule (7) for fiscal year 2014-2015 CAASPP costs.
- Statutes 2014, chapter 25 (Line Item 6110-488) and chapter 32 (appropriation for outstanding mandate claims) *if* used by a school district on any of the reimbursable CAASPP activities.
- Statutes 2014, chapter 25, Line Item 6110-182-0001, Provision 2 (appropriation “to support network connectivity infrastructure grants”) *if* used by a school district on any of the reimbursable CAASPP activities.

Any other offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

## **Audit Authority**

We conducted this performance audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the district's records to verify the actual amount of the mandated costs. In addition, GC 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 audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated CAASPP Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.<sup>1</sup>

The audit period was July 1, 2014, through June 30, 2016.

To achieve our objective, we performed the following procedures:

- We reviewed the annual mandated cost claims filed by the district for the audit period and identified the significant cost components of each claim as salaries and benefits, and materials and supplies. We determined whether there were any errors or any unusual or unexpected variances from year to year. We reviewed the claimed activities to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines.
- We attempted, but were not able to complete an internal control questionnaire by interviewing key district staff and discussing the claim preparation process to determine what information was obtained, who obtained it, and how it was used.
- We requested, but did not receive, supporting documentation related to claimed salaries and benefits, materials and supplies, and contract services costs. We found that 100% of the claimed costs were unsupported (see the Finding).

We did not audit the district's financial statements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **Conclusion**

As a result of performing the audit procedures, we found that the district did not comply with the requirements described in our audit objective. We found that the district claimed unsupported costs, as quantified in the Schedule and described in the Findings and Recommendations section of

---

<sup>1</sup> Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

this audit report. To the extent that the district claimed costs not supported by appropriate source documents, such costs are also unreasonable and/or excessive. In addition, we did not confirm if the district claimed costs that were funded by other sources because all of the claimed costs were found to be unsupported.

For the audit period, Azusa Unified School District claimed \$236,210 for costs of the legislatively mandated CAASPP Program. Our audit found that none of the claimed costs are allowable. The State made no payments to the district.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the district of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

**Follow-up on  
Prior Audit  
Findings**

We have not previously conducted an audit of the district's legislatively mandated CAASPP Program.

**Views of  
Responsible  
Officials**

We issued a draft audit report on May 3, 2022. We contacted Latasha Jamal, Assistant Superintendent of Business Services by email on May 13, 2022. Ms. Jamal responded by email on May 13, 2022, stating that the district would not be providing a response to the draft audit report.

**Restricted Use**

This audit report is solely for the information and use of Azusa Unified School District, the Los Angeles 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

August 4, 2022



**Schedule—**  
**Summary of Program Costs**  
**July 1, 2014, through June 30, 2016**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2014, through June 30, 2015</u>			
Direct costs:			
Salaries and benefits			
Notify parents or guardians	\$ 2,863	\$ -	\$ (2,863)
Total salaries and benefits	<u>2,863</u>	<u>-</u>	<u>(2,863)</u>
Materials and supplies			
Computers, browsers, or peripherals	15,348	-	(15,348)
Notify parents or guardians	2,933	-	(2,933)
Total materials and supplies	<u>18,281</u>	<u>-</u>	<u>(18,281)</u>
Contract services			
Internet service, network equipment, consultants, or engineers	20,029	-	(20,029)
Total contract services	<u>20,029</u>	<u>-</u>	<u>(20,029)</u>
Total direct costs	41,173	-	(41,173)
Indirect costs	-	-	-
Total direct and indirect costs	41,173	-	(41,173)
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 41,173</u>	<u>-</u>	<u>\$ (41,173)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2015, through June 30, 2016</u>			
Direct costs:			
Salaries and benefits			
Notify parents or guardians	\$ 2,567	-	\$ (2,567)
Total salaries and benefits	<u>2,567</u>	<u>-</u>	<u>(2,567)</u>
Materials and supplies			
Computers, browsers, or peripherals	169,231	-	(169,231)
Notify parents or guardians	2,901	-	(2,901)
Total materials and supplies	<u>172,132</u>	<u>-</u>	<u>(172,132)</u>
Contract services			
Internet service, network equipment, consultants, or engineers	20,338	-	(20,338)
Total contract services	<u>20,338</u>	<u>-</u>	<u>(20,338)</u>
Total direct costs	195,037	-	(195,037)
Indirect costs	-	-	-
Total direct and indirect costs	195,037	-	(195,037)
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 195,037</u>	<u>-</u>	<u>\$ (195,037)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>Summary: July 1, 2014, through June 30, 2016</u>			
Direct costs:			
Salaries and benefits			
Notify parents or guardians	\$ 5,430	\$ -	\$ (5,430)
Total salaries and benefits	5,430	-	(5,430)
Materials and supplies			
Computers, browsers, or peripherals	184,579	-	(184,579)
Notify parents or guardians	5,834	-	(5,834)
Total materials and supplies	190,413	-	(190,413)
Contract services			
Internet service, network equipment, consultants, or engineers	40,367	-	(40,367)
Total contract services	40,367	-	(40,367)
Total direct costs	236,210	-	(236,210)
Indirect costs	-	-	-
Total direct and indirect costs	236,210	-	(236,210)
Less offsetting revenues and reimbursements	-	-	-
Total program costs	\$ 236,210	-	\$ (236,210)
Less amount paid by the State <sup>2</sup>			
Allowable costs claimed in excess of amount paid		\$ -	

<sup>1</sup> See the Finding and Recommendation section.

<sup>2</sup> Payment amount current as of June 28, 2022.

# Finding and Recommendation

**FINDING—  
Unsupported  
claimed costs**

The district claimed \$236,210 in salaries and benefits, materials and supplies, and contract services costs for the audit period. We found that the entire amount is unallowable. The costs are unallowable because the district did not provide contemporaneous source documents to support the time and activities claimed as required by the program’s parameters and guidelines.

The district did not provide documentation to support the claimed costs in a reasonable timeframe by the agreed-upon deadline. As a result, we determined that all claimed costs for the audit period are unsupported.

The following table summarizes the audit adjustment related to claimed costs by fiscal year:

Fiscal Year	Salaries and Benefits		Materials and Supplies		Contract Services		Total Audit Adjustment
	Amount Claimed	Amount Allowable	Amount Claimed	Amount Allowable	Amount Claimed	Amount Allowable	
2014-15	\$ 2,863	-	\$ 18,281	-	\$ 20,029	-	\$ (41,173)
2015-16	2,567	-	172,132	-	20,338	-	(195,037)
<b>Total</b>	<b>\$ 5,430</b>	<b>\$ -</b>	<b>\$ 190,413</b>	<b>\$ -</b>	<b>\$ 40,367</b>	<b>\$ -</b>	<b>\$ (236,210)</b>

The following table summarizes the audit adjustment related to salaries and benefits by reimbursable activity:

Reimbursable Activity	Amount Claimed	Amount Allowable	Audit Adjustment
Notify parents or guardians	\$ 11,264	-	\$ (11,264)
Computers, browsers, or peripherals	184,579	-	(184,579)
Internet service, network equipment, consultants, or engineers	40,367	-	(40,367)
<b>Total</b>	<b>\$ 236,210</b>	<b>\$ -</b>	<b>\$ (236,210)</b>

Section IV (“Reimbursable Activities”) of the parameters and guidelines begins:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agenda, and declarations. Declarations must include a certification or declaration stating, “I certify (or declare) under

penalty of perjury under the laws of the State of California that the foregoing is true and correct,” and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

### Recommendation

As of FY 2017-18, the CAASPP Program is funded through a mandate block grant. The district elected to receive mandate block grant funding pursuant to GC section 17581.6, in lieu of filing annual mandated cost claims. If the district chooses to opt out of receiving mandate block grant funding, we recommend that the district:

- Follow the mandated program’s claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs are supported by contemporaneous source documents.

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

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