

# **GRANT JOINT UNION HIGH SCHOOL DISTRICT**

Audit Report

## **NOTIFICATION OF TRUANCY PROGRAM**

Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994;  
Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007

*July 1, 2002, through June 30, 2008*



**JOHN CHIANG**  
California State Controller

May 2010



**JOHN CHIANG**  
**California State Controller**

May 28, 2010

Michelle Rivas, President  
Board of Trustees  
Twin Rivers Unified School District  
3222 Winona Way  
North Highlands, CA 95660

Dear Ms. Rivas:

The State Controller's Office audited the costs claimed by the Grant Joint Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2002, through June 30, 2008. Effective July 1, 2008, Grant Joint Union High School District merged with other school districts to form Twin Rivers Unified School District.

The district claimed \$725,551 for the mandated program. Our audit disclosed that \$640,659 is allowable and \$84,892 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notification letters. The State paid the district \$232,196. Allowable costs claimed exceed the amount paid by \$408,463.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

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

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/sk

cc: Frank Porter, Superintendent  
Twin Rivers Unified School District  
Rob Ball, Associate Superintendent, Business Support Services  
Twin Rivers Unified School District  
Kate Ingersoll, Director of Budget Services  
Twin Rivers Unified School District  
Rob Roach, Mandated Cost Analyst  
Twin Rivers Unified School District  
David W. Gordon, County Superintendent of Schools  
Sacramento County Office of Education  
Scott Hannan, Director  
School Fiscal Services Division  
California Department of Education  
Carol Bingham, Director  
Fiscal Policy Division  
California Department of Education  
Thomas Todd, Principal Program Budget Analyst  
Education Systems Unit  
Department of Finance  
Angie Teng, Section Supervisor  
Division of Accounting and Reporting  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Grant Joint Union High School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2002, through June 30, 2008. Effective July 1, 2008, Grant Joint Union High School District merged with other school districts to form Twin Rivers Unified School District.

The district claimed \$725,551 for the mandated program. Our audit disclosed that \$640,659 is allowable and \$84,892 is unallowable. The costs are unallowable because the district claimed unsupported and non-reimbursable initial truancy notification letters. The State paid the district \$232,196. Allowable costs claimed exceed the amount paid by \$408,463.

## Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day. However, the Commission on State Mandates (CSM) did not amend the program's parameters and guidelines until January 31, 2008 (effective July 1, 2006). Therefore, until June 30, 2006, districts were eligible for mandated program reimbursement if they notified a parent or guardian of the first five elements.

Education Code section 48260 originally defined a truant pupil as one who is absent from school without a valid excuse for more than three days or who is tardy in excess of 30 minutes on each of more than three days in one school year. Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof. However, the

CSM did not amend the program's parameters and guidelines until January 31, 2008 (effective July 1, 2006). Therefore, for mandate-reimbursement purposes, until June 30, 2006, a pupil was initially classified as truant upon the fourth unexcused absence.

On November 29, 1984, the State Board of Control (now CSM) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on August 27, 1987, and amended them on July 22, 1993, and January 31, 2008. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

## **Objective, Scope, and Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2002, through June 30, 2008.

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 this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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**

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Grant Joint Union High School District claimed \$725,551 for costs of the Notification of Truancy Program. Our audit disclosed that \$640,659 is allowable and \$84,892 is unallowable.

For the fiscal year (FY) 2002-03 claim, the State paid the district \$57,143. Our audit disclosed that the entire amount is allowable.

For the FY 2003-04 claim, the State paid the district \$61,060. Our audit disclosed that the entire amount is allowable.

For the FY 2004-05 claim, the State paid the district \$84,523. Our audit disclosed that the entire amount is allowable.

For the FY 2005-06 claim, the State made no payment to the district. Our audit disclosed that \$136,846 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2006-07 claim, the State paid the district \$29,470. Our audit disclosed that \$151,390 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$121,920, contingent upon available appropriations.

For the FY 2007-08 claim, the State made no payment to the district. Our audit disclosed that \$149,697 is allowable. The State will pay that amount, contingent upon available appropriations.

**Views of  
Responsible  
Official**

We issued a draft audit report on March 5, 2010. Kate Ingersoll, Director of Budget Services, responded by letter dated March 22, 2010 (Attachment). The district agreed with some individual issues presented in the audit results and disagreed with others. This final audit report includes the district's response.

**Restricted Use**

This report is solely for the information and use of Twin Rivers Unified School District, the Sacramento 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

May 28, 2010

**Schedule 1—  
Summary of Program Costs  
July 1, 2002, through June 30, 2008**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2002, through June 30, 2003</u>				
Number of truancy notifications	4,329	4,520	191	Findings 1, 2
Uniform cost allowance	× \$13.20	× \$13.20	× \$13.20	
Subtotal <sup>2</sup>	\$ 57,143	\$ 59,664	\$ 2,521	
Audit adjustments that exceed costs claimed	—	(2,521)	(2,521)	
Total program costs	<u>\$ 57,143</u>	57,143	<u>\$ —</u>	
Less amount paid by the State		(57,143)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Number of truancy notifications	4,470	5,237	767	Findings 1, 2
Uniform cost allowance	× \$13.66	× \$13.66	× \$13.66	
Subtotal <sup>2</sup>	\$ 61,060	\$ 71,537	\$ 10,477	
Audit adjustments that exceed costs claimed	—	(10,477)	(10,477)	
Total program costs	<u>\$ 61,060</u>	61,060	<u>\$ —</u>	
Less amount paid by the State		(61,060)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Number of truancy notifications	5,919	7,015	1,096	Findings 1, 2
Uniform cost allowance	× \$14.28	× \$14.28	× \$14.28	
Subtotal <sup>2</sup>	\$ 84,523	\$ 100,174	\$ 15,651	
Audit adjustments that exceed costs claimed	—	(15,651)	(15,651)	
Total program costs	<u>\$ 84,523</u>	84,523	<u>\$ —</u>	
Less amount paid by the State		(84,523)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Number of truancy notifications	10,440	8,806	(1,634)	Findings 1, 2
Uniform cost allowance	× \$15.54	× \$15.54	× \$15.54	
Total program costs <sup>2</sup>	<u>\$ 162,238</u>	\$ 136,846	<u>\$ (25,392)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 136,846</u>		

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2006, through June 30, 2007</u>				
Number of truancy notifications	10,211	9,374	(837)	Findings 1, 2
Uniform cost per initial notifications	× \$16.15	× \$16.15	× \$16.15	
Total program costs <sup>2</sup>	<u>\$ 164,908</u>	\$ 151,390	<u>\$ (13,518)</u>	
Less amount paid by the State		<u>(29,470)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 121,920</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Number of truancy notifications	11,324	8,663	(2,661)	Findings 1, 2
Uniform cost per initial notifications	× \$17.28	× \$17.28	× \$17.28	
Total program costs <sup>2</sup>	<u>\$ 195,679</u>	\$ 149,697	<u>\$ (45,982)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 149,697</u>		
<u>Summary: July 1, 2002, through June 30, 2008</u>				
Total program costs	<u>\$ 725,551</u>	\$ 640,659	<u>\$ (84,892)</u>	
Less amount paid by the State		<u>(232,196)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 408,463</u>		

<sup>1</sup> See the Findings and Recommendations section.

<sup>2</sup> Calculation differences due to rounding.

# Findings and Recommendations

**FINDING 1—  
Overstated and understated initial truancy notifications claimed**

The district claimed unallowable costs totaling \$28,970. The costs are unallowable because:

- The district’s attendance records did not support the number of initial truancy notification letters that the district claimed for each fiscal year. The district either overstated or understated the number during each fiscal year.
- The district claimed duplicate initial truancy notification letters by claiming more than one letter for an individual student.

The following table summarizes the audit adjustment:

	Fiscal Year						Total
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	
Number of initial truancy notifications documented:							
Period attendance reporting	4,749	5,309	7,419	9,443	9,566	8,901	45,387
Daily attendance reporting	—	4	2	13	4	2	25
Number of initial truancy notifications claimed	<u>(4,329)</u>	<u>(4,470)</u>	<u>(5,919)</u>	<u>(10,440)</u>	<u>(10,211)</u>	<u>(11,324)</u>	<u>(46,693)</u>
Unallowable initial truancy notifications	420	843	1,502	(984)	(641)	(2,421)	<u>(1,281)</u>
Uniform cost allowance	<u>×\$13.20</u>	<u>×\$13.66</u>	<u>×\$14.28</u>	<u>×\$15.54</u>	<u>×\$16.15</u>	<u>×\$17.28</u>	
Audit adjustment	<u>\$ 5,544</u>	<u>\$ 11,515</u>	<u>\$ 21,449</u>	<u>\$ (15,291)</u>	<u>\$ (10,352)</u>	<u>\$ (41,835)</u>	<u>\$ (28,970)</u>

The program’s parameters and guidelines instruct claimants to claim mandate-related costs as follows:

Report the number of initial notifications of truancy distributed during the year. Do not include in that count the number of notifications or other contacts which may result from the initial notification to the parent or guardian.

The parameters and guidelines also require claimants to maintain documentation that supports the total number of initial truancy notifications distributed.

Recommendation

We recommend that the district claim the number of allowable initial truancy notification letters that its records support. We recommend that the district exclude from this count any duplicate letters that it distributes for the same student.

District’s Response

The State Controller’s Office (SCO) determined that the district claimed unallowable costs totaling \$32,826. . . .

The district agrees with the findings in part.

**Duplicate Notifications Claimed** – During the course of the audit it became apparent that there were some truancy letters that were inadvertently claimed twice. . . .

**Attendance Accounting System Discrepancies** – Throughout the audit process, the district made it clear to the auditors its attendance accounting system (AERIES) was not the primary source of documentation for the claims subject to this audit. Rather the district maintains photocopies of each letter sent and takes a hard count to create the claim. The district made available its copies of the letters in support of the claims but the auditors chose to audit spreadsheets created by AERIES rather than the letters that were used to create the claims.

The AERIES system is designed to document attendance accounting. This is important since attendance information is fluid and records can be changed throughout the school year. For instance if a parent receives a truancy letter and calls into the school to clear an absence, in prior years the records contained in AERIES would not be able to show an auditor what the attendance was on the date the letter was originally created. In this example AERIES was incapable of showing the auditors what the attendance was on the date the truancy notice was created.

The district was able to produce weekly attendance reports that showed in many cases what the attendance was on the day the letter was created.

**Ineligible Costs Claimed** – In the 2007/08 fiscal year the district claimed letters from its independent study program and some letters from its charter schools; neither program were eligible for mandate reimbursement.

#### SCO's Comment

We revised our audit finding to correct a transposition error and resulting erroneous calculation presented in the draft audit report. Our recommendation is unchanged.

In our draft audit report, we incorrectly identified the FY 2004-05 number of initial truancy notifications attributable to period attendance accounting. Our draft audit report identified 7,149 initial truancy notifications; the correct number is 7,419.

The district acknowledges that duplicate notifications and notifications issued for independent study and charter school students are not reimbursable.

The district infers that the audit report misstates the actual number of initial truancy notifications issued because we identified the population from the district's automated records rather than from photocopies of notifications issued. Throughout our audit fieldwork, we worked with the district's representative to identify the total number of notifications issued for each fiscal year. The district has not provided any documentation to refute the number of initial truancy notifications identified in the audit finding.

**FINDING 2—  
Non-reimbursable  
initial truancy  
notification letters  
claimed**

The district claimed non-reimbursable initial truancy notifications totaling \$27,273. The district claimed initial truancy notifications that it distributed for students who did not accumulate the required number of unexcused absences or tardiness occurrences to qualify as truant under the mandated program.

For each fiscal year, we selected a statistical sample of initial truancy notifications based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We chose our statistical sample from the population of initial truancy notifications that the district documented for students subject to period attendance reporting. We used a statistical sample so that we could project the sample results to the population. We separately validated attendance records for those students subject to daily attendance reporting.

For FY 2002-03 through FY 2005-06, the district claimed unallowable initial truancy notifications for students who accumulated fewer than four unexcused absences or tardiness occurrences while between the ages of 6 and 18. For FY 2006-07 and FY 2007-08, the district claimed unallowable initial truancy notifications for students who accumulated fewer than three unexcused absences or tardiness occurrences while between the ages of 6 and 18.

The following table summarizes the audit adjustment:

	Fiscal Year						Total
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	
Number of unallowable initial truancy notifications	(7)	(2)	(8)	(10)	(3)	(4)	
Sample size	÷ 145	÷ 146	÷ 147	÷ 148	÷ 148	÷ 148	
Unallowable percentage	(4.83)%	(1.37)%	(5.44)%	(16.76)%	(2.03)%	(2.70)%	
Number of initial truancy notifications documented—period attendance reporting	× 4,749	× 5,309	× 7,419	× 9,443	× 9,566	× 8,901	
Unallowable initial truancy notifications—period attendance reporting	(229)	(73)	(404)	(638)	(194)	(240)	
Unallowable initial truancy notifications—daily attendance reporting	—	(3)	(2)	(12)	(2)	—	
Total number of unallowable initial truancy notifications	(229)	(76)	(406)	(650)	(196)	(240)	
Uniform cost allowance	× \$13.20	× \$13.66	× \$14.28	× \$15.54	× \$16.15	× \$17.28	
Audit adjustment	\$ (3,023)	\$ (1,038)	\$ (5,798)	\$ (10,101)	\$ (3,166)	\$ (4,147)	\$ (27,273)

Education Code section 48260, subdivision (a), as amended in 1994 states:

*Any pupil subject to compulsory full-time education or to compulsory continuation education [emphasis added] who is absent from school without valid excuse three full days in one school year or tardy or absent for more than any 30-minute period during the schoolday [sic] without a valid excuse on three occasions in one school year, or any combination thereof, is a truant. . . .*

Education Code section 48200 states that children between the ages of 6 and 18 are subject to compulsory full-time education. Therefore, student absences that occur before the student's 6<sup>th</sup> birthday or after the student's 18<sup>th</sup> birthday are not relevant when determining whether a student is a truant.

For FY 2002-03 through FY 2005-06, the parameters and guidelines state that initial truancy occurs when a student is absent from school without a valid excuse *more* than three days or is tardy in excess of 30 minutes on each of *more* than three days in one school year. As the Commission on State Mandates (CSM) did not amend the parameters and guidelines until July 1, 2006, an initial truancy notification is reimbursable for FY 2002-03 through FY 2005-06 only when a student has accumulated four or more unexcused absences or tardiness occurrences while between the ages of 6 and 18.

Effective July 1, 2006, the CSM adopted amended parameters and guidelines for the Notification of Truancy Program. The amended parameters and guidelines state:

A truancy occurs when a student is absent from school without valid excuse three (3) full days in one school year, or is tardy or absent without valid excuse for more than any thirty (30)-minute period during the school day on three (3) occasions in one school year, or any combination thereof.

### Recommendation

We recommend that the district claim initial truancy notifications only for those students who meet the truancy definition provided in the parameters and guidelines.

### District's Response

The SCO determined that the district claimed non-reimbursable initial truancy notifications. . . .

The district agrees with part of this finding but did locate and send documentation to the SCO that should reduce the total audit adjustment.

**Attendance Records/Weekly Attendance Reports** – The district was able to locate Weekly Attendance Reports that support the district's position that initial truancy notifications were sent to students who were in fact truant under the Parameters and Guidelines (P's & G's) definition. District staff sent . . . documentation . . . in support of this position for the following claims:

**2005/2006** – In the draft audit findings the SCO determined that from a sample of 148 students, 14 were the [*sic*] unallowable. . . .

The district was able to locate Weekly Attendance Reports for 6 of the 14 students. . . .

**2006/2007** – In the draft audit findings the SCO determined that from a sample of 148 students, 6 were the [*sic*] unallowable. . . .

The district was able to locate Weekly Attendance Reports for 4 of the 6 students. . . .

**2007/2008** – In the draft audit findings the SCO determined that from a sample of 148 students, 5 were the [*sic*] unallowable. . . .

The district was able to locate Weekly Attendance Reports for 3 of the 5 students. . . .

**Notifications Sent to Students That Are 18** – The district acknowledges that it had claimed notifications that were sent to students who were 18 years old.

**Parameters & Guidelines vs. Education Code** – Likewise the district acknowledges that it claimed reimbursement for initial truancy letters for the 2002/03, 2003/04, 2004/05, and 2005/06 school years.

The district must emphasize however that while, it did not meet the P's & G's definition of truancy as approved by the Board of Control in 1984 and applied by the SCO in this audit, it did meet the legal definition of truancy as defined in the current version of Education Code 48260 (a). . . .

### SCO's Comment

#### **Attendance Records/Weekly Attendance Reports**

We reviewed the additional documentation that the district submitted. We revised our finding to allow eight initial truancy notifications that we previously identified as unallowable in our draft audit report. We allowed four additional initial truancy notifications in FY 2005-06, three in FY 2006-07, and one in FY 2007-08. Our recommendation is unchanged.

We also revised our audit finding to correct a transposition error and resulting erroneous calculation presented in the draft audit report. In our draft audit report, we incorrectly identified the FY 2004-05 number of initial truancy notifications attributable to period attendance accounting. Our draft audit report identified 7,149 initial truancy notifications; the correct number is 7,419.

#### **Parameters and Guidelines versus Education Code**

The district stated that it distributed initial truancy notifications in accordance with Education Code section 48260, subdivision (a), for FY 2002-03 through FY 2005-06. Although the district complied with the Education Code, the district has overlooked the difference between its statutory responsibility versus mandate-related reimbursable costs. Reimbursable costs are limited to allowable costs identified in the mandated program's parameters and guidelines. For FY 2002-03 through FY 2005-06, the parameters and guidelines state that initial truancy occurs when a student is absent from school without a valid excuse *more* than three days or is tardy in excess of 30 minutes on each of *more* than three days in one school year.

#### **Changes to the System**

We commend the district for initiating system modifications that will allow it to support the number of initial truancy notifications issued.

**Attachment—  
District's Response to  
Draft Audit Report**

---

# TwinRivers

UNIFIED SCHOOL DISTRICT



*BOARD OF TRUSTEES*

*Michelle Rivas  
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*Frank Porter  
Superintendent*

*Our Mission:  
To inspire each student to  
extraordinary achievement  
every day.*

March 22, 2010

Mr. Jim Spano, Chief  
Mandated Cost Audits Bureau  
State Controller's Office  
Division of Audits  
P.O. Box 942850  
Sacramento, CA 94250-5874

Re: Grant Joint Union High School District  
Chapter 498, Statutes of 1983  
Notification of Truancy Program Audit  
Fiscal Years 2002/2003, 2003/2004, 2004/2005, 2005/2006, 2006/2007 & 2007/2008

Dear Mr. Spano:

This letter is in response of Grant Joint Union High School District to the letter dated on March 5, 2010, from Jeffery Brownfield and received by the District on March 12, 2010, which transmits a draft copy of the audit report of the District's Notification of Truancy annual reimbursement claims for the period of July 1, 2002 through June 30, 2008.

Please note that as of July 1, 2008 the Grant Joint Union High School District ceased to exist and merged along with three other school districts into the new Twin Rivers Unified School District, hence the district response will come from Twin Rivers Unified School District staff.

**Finding # 1 – Overstated and understated initial truancy notifications claimed**

The State Controller's Office (SCO) determined that the district claimed unallowable costs totaling \$32,826. The costs are unallowable because:

- *"The district's attendance records did not support the number of initial truancy notification letters that the district claimed for each fiscal year. The district either overstated or understated the number during each fiscal year".*
- *"The district claimed duplicate initial truancy notification letters by claiming more than one letter for an individual student".*

The district agrees with the findings in part.

**Duplicate Notifications Claimed** - During the course of the audit it became apparent that there were some truancy letters that were inadvertently claimed twice. Usually this occurred when a student transferred from one school to another within the district and a second initial truancy notice was issued by the new school or letters were sent to multiple addresses associated with the student and the district claimed more than one notice.

**Attendance Accounting System Discrepancies** - Throughout the audit process, the district made it clear to the auditors its attendance accounting system (AERIES) was not the primary source of documentation for the claims subject to this audit. Rather the

District Address: 5115 Dudley Blvd. McClellan CA 95652  
Mailing Address: 3222 Winona Way North Highlands CA 95660  
(916) 566-1600 FAX (916) 566-1784 [www.twinriversusd.org](http://www.twinriversusd.org)

district maintains photocopies of each letter sent and takes a hard count to create the claim. The district made available its copies of the letters in support of the claims but the auditors chose to audit spreadsheets created by AERIES rather than the letters that were used to create the claims.

The AERIES system is designed to document attendance accounting. This is important since attendance information is fluid and records can be changed throughout the school year. For instance if a parent receives a truancy letter and calls into the school to clear an absence, in prior years the records contained in AERIES would not be able to show an auditor what the attendance was on the date the letter was originally created. In this example AERIES was incapable of showing the auditors what the attendance was on the date the truancy notice was created.

The district was able to produce weekly attendance reports that showed in many cases what the attendance was on the day the letter was created.

**Ineligible Costs Claimed-** In the 2007/08 fiscal year the district claimed letters from its independent study program and some letters from its charter schools; neither program were eligible for mandate reimbursement.

**Finding # 2 – Non-reimbursable initial truancy notification letters claimed**

The SCO determined that the district claimed non-reimbursable initial truancy notifications totaling \$35,192. The costs are unallowable because:

- *“The district claimed initial truancy notifications that it distributed to students who did not accumulate the required number of unexcused absences or tardiness occurrences to qualify as truant under the mandated program”.*

The district agrees with part of this finding but did locate and send documentation to the SCO that should reduce the total audit adjustment.

**Attendance Records/Weekly Attendance Reports** – The district was able to locate Weekly Attendance Reports that support the district’s position that initial truancy notifications were sent to students who were in fact truant under the Parameters and Guidelines (P’s & G’s) definition. District staff sent three electronic mail messages along with scanned documentation dated March 19, 2010 to the SCO in support of this position for the following claims:

**2005/2006** – In the draft audit findings the SCO determined that from a sample of 148 students, 14 were the unallowable. The unallowable percentage was 9.46% (905 letters) this percentage was then applied to the entire claim for a total audit adjustment of \$14,064 in finding # 2 for the 2005/2006 claim.

The district was able to locate Weekly Attendance Reports for 6 of the 14 students. The reports affirm that each of the 6 students had at least 4 unexcused absences as defined in the P’s & G’s on the date the initial truancy notification was created.

It is the district’s position that the SCO should reduce the unallowable percentage to 5.41% (523 letters) for a total audit adjustment of \$8,127 in finding # 2 for the 2005/2006 claim.

**2006/2007** – In the draft audit findings the SCO determined that from a sample of 148 students, 6 were the unallowable. The unallowable percentage was 4.05% (389 letters) this percentage was then applied to the entire claim for a total audit adjustment of \$6,283 in finding # 2 for the 2006/2007 claim.

The district was able to locate Weekly Attendance Reports for 4 of the 6 students. The reports affirm that each of the 4 students had at least 3 unexcused absences as defined in the P’s & G’s on the date the

initial truancy notification was created.

It is the district's position that the SCO should reduce the unallowable percentage to 1.36% (132 letters) for a total audit adjustment of \$2,132 in finding # 2 for the 2006/2007 claim.

**2007/2008** – In the draft audit findings the SCO determined that from a sample of 148 students, 5 were the unallowable. The unallowable percentage was 3.38% (301 letters) this percentage was then applied to the entire claim for a total audit adjustment of \$5,201 in finding # 2 for the 2007/2008 claim.

The district was able to locate Weekly Attendance Reports for 3 of the 5 students. The reports affirm that each of the 3 students had at least 3 unexcused absences as defined in the P's & G's on the date the initial truancy notification was created.

It is the district's position that the SCO should reduce the unallowable percentage to 1.36% (121 letters) for a total audit adjustment of \$2,091 in finding # 2 for the 2007/2008 claim.

**Notifications Sent to Students That Are 18** – The district acknowledges that it had claimed notifications that were sent to students who were 18 years old.

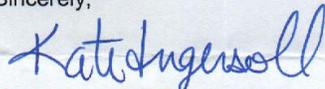
**Parameters & Guidelines vs. Education Code** - Likewise the district acknowledges that it claimed reimbursement for initial truancy letters for the 2002/03, 2003/04, 2004/05 and 2005/06 school years.

The district must emphasize however that while, it did not meet the P's & G's definition of truancy as approved by the Board of Control in 1984 and applied by the SCO in this audit, it did meet the legal definition of truancy as defined in the current version of Education Code 48260 (a).

The district extends its thanks to State Controller John Chiang for sponsoring legislation (AB 1698, Eng) to fix this program back in 2007 by aligning the parameters and guidelines with current education code.

**Changes to the System** – In the 2009/2010 school year there has been a number of updates to the AERIES attendance accounting system that allows the district to view the attendance record of students on the date a truancy notice is created. The AERIES system now records any changes made to the attendance records with dates and electronic signatures for reference. The changes will enable the district to provide better support in the future.

Sincerely,



Kate Ingersoll, CPA  
Director of Budget Services  
Twin Rivers Unified School District

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