



APS Internal Audit Department

# Annual Audit Report

Arlington  
Public  
Schools

June 24, 2021

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# Presentation Overview

- **Overview of Internal Audit at APS**
- **FY 2021 Audits**



# Overview – Internal Audit

- Provide **operational, financial, and compliance audit services** to APS
- **Advisor and resource to school leadership and School Board** on policy, internal controls and best practices in fiscal and business operations
- **Annual audit plan approved by School Board**



## FY 2021 Audits

- Research and analyze the “800 additional Career Center seats” process for improved alignment and tracking with Board approved funding.
- Analyze operating costs of option schools compared to neighborhood schools.
- Assess level of compliance with each of the English Learner **settlement agreement** requirements.



# FY 2021 Audits

- Identify **potential efficiencies, cost savings and revenue opportunities**, with a focus on Resource Deployment.



# Career Center After Action Analysis

## **Objective:**

Research and analyze the “800 additional Career Center seats” process for improved alignment with Board approved scope and funding.



# Career Center After Action Analysis

## What is the Career Center After Action Analysis?

- **May 2020:** Concept for expansion of Career Center presented to School Board came in significantly higher than the funds allocated for the project.
- **June 2020:** School Board's motion on the FY 2021 CIP directed the Superintendent to conduct the study to identify improvements for APS' construction planning and design process.
- **Fall/Winter 2020:** Director, Internal Audit, conducted the Career Center After Action Study with the leadership of the APS Chief of Staff.



# Career Center After Action Analysis

## Observations and Findings

Viewed “800 additional seats” process from 3 vantage points:

- A. Budget and square footage throughout the 2019-28 CIP development;
- B. Timeline of CIP funding (2014 to 2020);
- C. Project Management Professional (PMP) view of the ENTIRE process from start through 2020.





# Career Center After Action Analysis

## Findings:

- Square footage assumptions for the Career Center project in the CIP differ from the square footage assumptions in the Educational Specifications.
- The CIP was approved prior to the Educational Specifications.

	Approval Date	Use of Space	Assumption for Space Needs	Timing
<b>2010-28 CIP</b>	June 2018	800 additional seats, with more general use spaces	<b>132,000 new SF</b> based on 800 seats @165 SF/seat	Phased approach
<b>2019 Educational Specifications</b>	November 2019	Incorporated educational needs with many community expectations per CCWG	<b>225,000 new SF</b> based on full size facilities for all students	To be completed at one time



# Career Center After Action Analysis

## Recommendations

- 1. Adjust sequence of approvals to improve planning and budget alignment with APS educational specifications.**
- 2. Consider entire Career Center Process as one complete project to provide a vantage point for future improvements.**
- 3. Identify cost management in the planning phases of all School Board projects.**
- 4. Align stakeholder interests with School Board objectives and budget.**



# DOJ Settlement Agreement

Department of Justice (DOJ) acknowledged in June 2019 that APS has already undertaken measures to address many issues of its English Learner (EL) programs and practices.

Internal Audit worked with APS staff to:

- Review demands of settlement agreement due through May 2021.
- Review APS plan to comply with all requirements.
- Assess ability to set-up and track data needed to meet future reporting requirements.



# DOJ Settlement Agreement

**APS has met scheduled reporting dates through May 2021.**

Professional Training requirements:

- DOJ to issue virtual training guidelines to allow fulfillment of education requirements with distancing protocols.
- As of June 1, 2021, 172 secondary core content and K-12 Special Education teachers have become ESL-Certified.
- English Learners without the one or two complete instructional blocks taught by ESL-Certified teacher was substantially reduced from Oct 2019 to Oct 2020.



# DOJ Settlement Agreement

## **FY22 budget includes funds for future compliance requirements:**

- 1 new Director for Office EL positions
- 1 of 3 current EL Specialists positions is only 50% funded for FY22
- \$100,000 allocated for EL secondary teacher training per the settlement agreement.



## Option school cost analysis

### **Request from Audit Committee to analyze operating costs of option schools compared to neighborhood schools.**

- Reviewed FY20 budget and actual expenses and revenues allocated directly to each school: staff, supplies, program costs, etc.
- Items not allocated to each school (administration, depreciation, maintenance) were not included. Also, custodial costs were excluded.
- Utility costs vary among schools depending on system efficiency. As these are already monitored by Facilities and Operations, these were NOT included.
- Transportation costs were considered separately.



# Option school cost analysis

Student count at each school as of **June 30, 2020**, was used for calculations.

Specific student population count used as appropriate:

- Kindergarten
- Montessori
- VPI
- Special Education
- English Learners
- Gifted
- Exemplary Projects



# Option school transportation cost analysis

## Transportation

- Director of Multimodal Transportation shared FY20 Buses per School data for each school.
- June 2020 enrollment data was used for Option and non-option elementary schools.
- Prepared summary of bus needs for Option and non-option elementary schools





# Option school transportation cost analysis

## Option elementary schools

2330 students (Arlington Traditional, Campbell, Claremont, Key, Montessori)

50 buses

**46 enrolled students per bus**

## Non-option elementary schools

8897 students

95 buses

**93 enrolled students per bus**

**It appears option schools require at least twice the number of buses on average than non-option schools.**



# Option school cost analysis: Observations

## **HIGH SCHOOLS**

Instruction cost per student was relatively constant for most schools.



## Option school cost analysis: Observations

### **HIGH SCHOOLS**

Special Education cost per student varied per school.

English Learner costs also varied per school.

***Schools with greater EL student enrollment had lower costs per student.***



# Option school cost analysis: Observations

## **MIDDLE SCHOOLS**

Instruction and selected costs per student placed within a close range for most schools:

- Middle School Instruction
- Equity and Excellence Teacher
- Mathematics
- Gifted Program Itinerant Teacher
- Exemplary Projects



# Option school cost analysis: Observations

## **MIDDLE SCHOOL**

Special Education cost per student varied per school.

English Learner cost per student varied per school.

***Schools with fewest EL had higher costs per student.***



# Option school cost analysis: Observations

## **ELEMENTARY SCHOOLS**

Costs per student varied depending on school selected.

FY20 results differed from prior years due to the effect of COVID on revenues and expenses.

As a result, the Audit Committee suggested that we expand the option school cost project to a two-year timeframe.



# Resource Deployment

One internal audit project this year is to identify potential efficiencies, cost savings and revenue opportunities.

**Focus on resource deployment compared to planning factor allocations.**



# Resource Deployment

For each school, we reviewed

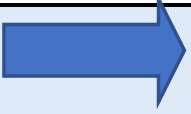


- Actual positions per Nov 2019 staffing sheets, for Operating Funds
- FY20 Adopted positions per School Board Budget
- Noted any difference between Actual positions and FY20 Adopted positions





# Resource Deployment

Our expectation was that Actual positions would match planned positions; Staffing variances would mirror enrollment variances.

<b>If Student enrollment is</b>	<b>Then, Staffing will</b>
As projected 	Be as budgeted
Greater than projected 	Increase
Less than projected 	decrease



## Resource Deployment

### **Actual positions sometimes varied from budgeted positions:**

For example,

- for 17 elementary schools, actual Music and Art staffing was less than planned;
- for 12 elementary schools, actual Physical Education staffing was less than planned.



## Resource Deployment

- Staffing decreased at a few schools although enrollment was as projected or greater than expected.
- Staffing increased **less than** anticipated at a few schools that had enrollment greater than projected.



# Resource Deployment

## **For other schools, results were not as expected:**

- Staffing increased although enrollment was less than or as projected this was opposite of expectations.
- Staffing was as projected although enrollment was less than projected



# Resource Deployment

- Multiple factors affect school staffing
- Student needs may impact the staffing required.
- Audit Committee requested we expand to a multiple year timeframe to enhance the comparative use of this data, some of which is COVID-related.



# Registration

Audit in process:

## **Registration and Welcome Center Access**

- Online registration was developed to allow families to continue to register despite the challenges created due to restricted in-person access to APS staff.
- Review current online registration protocol.
- Brainstorm and coordinate approach with other APS staff reviewing these and other access issues.



# Internal Audit Next Steps

- Update APS Risk Analysis model to identify and reflect any new control challenges from the current environment
- Develop internal audit plan for FY 2022



# Annual Audit Report

Questions?