

OVERVIEW

Follow-Up Audit of the After-School Plus (A+) Program of the Department of Education

Report No. 98-18, October 1998

Summary

The Department of Education provides after-school care services to public school latchkey students in grades kindergarten through six through its After-School Plus (A+) Program. During School Year (SY) 1997-98 the program served about 22,500 students at 177 public school sites at an approximate cost of \$11 million. Parents paid the State about \$5 million in fees that year.

The Office of the Auditor conducted a follow-up audit of the A+ Program for SY1997-98. The audit examined the extent to which the findings and recommendations contained in our *Audit of the After-School Plus (A+) Program of the Department of Education*, Report No. 96-20, are being addressed.

In our follow-up audit, we found that the department has made improvements in the management controls of the A+ program. However, the department continues to experience difficulties in limiting the program to eligible students, efficiently staffing the A+ program, and enforcing fiscal controls.

We found the screening practices for program eligibility and reduced program fees remain deficient. We estimated 2,700 ineligible students may have been enrolled in A+ during SY1997-98 at a cost of about \$364,000. We also found parents provided the department with inconsistent employment and income information when applying for A+ and reduced school lunch fees, indicating a strong possibility of intentional misrepresentation to obtain benefits from both programs.

Staffing problems continue to plague the department and result in higher student to staff ratios, the employment of unqualified staff, the appearance of nepotism, and the practice of not openly recruiting for the highest paid A+ positions. Furthermore, the department has not ensured that additional staff for special needs students are hired only as needed, thereby draining A+ resources unnecessarily.

We also found that the department has established additional controls to ensure proper program collections and reimbursements; however, staff ignore these controls resulting in uncollected program fees, the tolerance of extremely late fees, the arbitrary assessment of program fines, and overpayments to private providers. Furthermore, fiscal controls over cash receipts are inadequate and do not ensure all collections are deposited into the state general fund. Specifically, cash is not safeguarded against theft and the segregation of duties over cash receipts, deposits, and reconciliation is not enforced. The failure to enforce the segregation of duties resulted in the misuse of personnel funds at two sites. At the time of our audit only one site coordinator had taken any action to recoup overpayments made to herself, her daughter and other staff.

We found many of the non-compliance issues identified in our follow-up audit were also identified in our previous audit, by the department's own internal auditor, and by an independent accounting firm. The department's failure to establish clear lines of authority in the A+ Program and the lack of formal disciplinary procedures have contributed to the department's inability to hold staff accountable for non-compliance with established policies.

Recommendations and Response

We recommended that the superintendent of education ensure all staff are trained in program procedures, clarify the chain of authority for the A+ Program, and formalize disciplinary procedures to ensure accountability. We also recommended that the department improve procedures to identify student eligibility for A+ and reduced program fees; staff sites based on attendance patterns; develop criteria for allocating special needs staff; and implement fiscal controls to ensure proper fee collections, timely deposits, and the safeguarding of cash.

The Board of Education and the Department of Education agree that problems remain with the implementation and enforcement of program guidelines. The board and department responded that they are committed to providing quality and affordable after-school care for latchkey children and that they will take appropriate action where non-compliance occurs, including removing district and site coordinators and replacing A+ site coordinators with private providers. The superintendent also plans to issue a directive that identifies specific expectations for A+ program fiscal accountability, and that adopts our recommendations.

The board and department do not agree that criteria should be established for allocating special needs staff; however, they do agree that special needs staffing requests should be annually reevaluated. The department also does not agree that A+ should be staffed on the basis of attendance patterns rather than enrollment. The department believes staffing to attendance would be difficult to implement and would affect student health and safety.

Marion M. Higa
State Auditor
State of Hawaii

Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813
(808) 587-0800
FAX (808) 587-0830