



**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures**

**California Adult Education Program Funds**

**Final Draft 1.20.21**

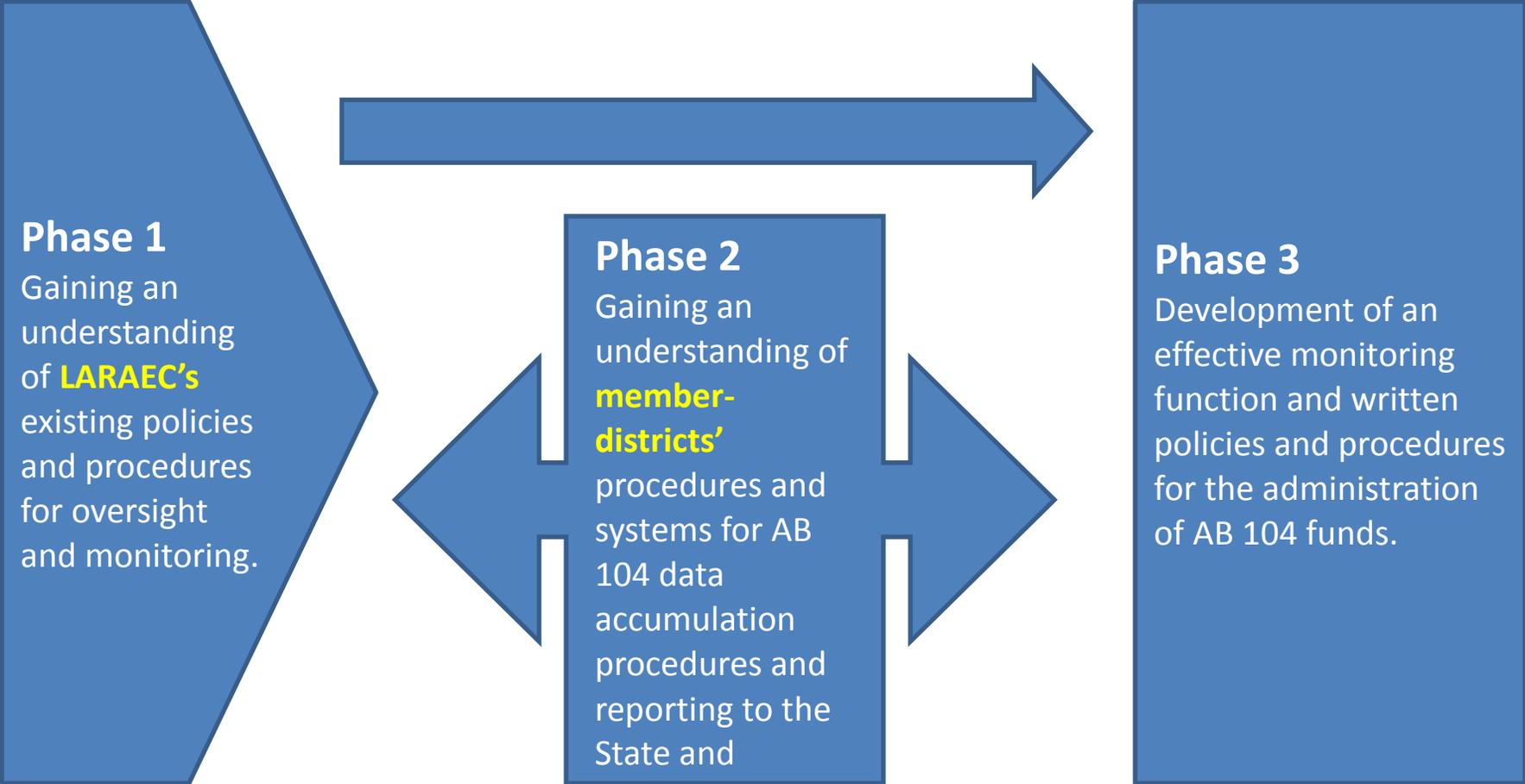
**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures  
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**CONSULTING PROJECT – OVERVIEW FLOWCHART**

Note: Please refer to Exhibit 8 for preliminary observations and recommendations as a result of Phases 1 and 2.



## **SECTION 1 – Consortium Administrative Function**

In accordance with the California Adult Education Program (CAEP) Adult Education Block Grant Fiscal Management Guide, Version 3 release (last updated August 30, 2019) (Fiscal Management Guide), a consortium's administrative responsibilities are summarized as follows:

### **I. Consortium Administrative Function**

In accordance with the California Adult Education - Adult Education Block Grant Fiscal Management Guide, Version 3 release (last updated August 30, 2019) (Fiscal Management Guide), a consortium's oversight function must consist of the following:

#### **A. *Assessment* of each member:**

1. Assessment of the member's ability to meet the CAEP requirements.
2. Review general assurances (basic member requirements) signed off by each member as part of the annual plan process.
3. Review bylaws, charters, and governance for additional member requirements.

#### **B. *Evaluation* of each member:**

Using the 3-year plan, annual plan, CAEP student data, and other resources available, perform an evaluation of the following:

1. Program needs as identified to meet the needs of the community (needs based)
2. Current levels and types of services (enrollment, outcomes)
3. Funds provided to members (cost effective)
4. Member effectiveness (overall effectiveness) - see Section 3

Each consortium must determine what structure they will use to manage their CAEP funding and program activities. Using the CAEP program guidance, consortia can use multiple leads (co-chairs), a coordinate, point person, lead, and/or director. This decision is made by the consortia membership. Advice on how to reimburse for the consortium related activities for this position can be in consultation with the consortium fund administrator and/or district accounting representatives. Consortium level budgets and expenses must be agreed to by the consortium membership.

## **SECTION 2 – Program Allowable Costs and Activities**

In accordance with the CAEP Fiscal Management Guide, program allowable costs/activities are summarized below:

### 1. Allowable Costs

#### **a. Allowable Uses of Funds – Specific Program Areas Only**

Per EC Section 84913, funds may only be used in the **seven program areas**:

##### ***Program Areas***

1. Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate;
2. Programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation;
3. Programs for adults, including older adults, for entry or reentry into the workforce;
4. Programs for adults, including older adults, to develop knowledge and skills to assist elementary and secondary school children to succeed academically;
5. Programs for adults with disabilities;
6. Short term career technical educational programs with high employment potential;
7. Programs offering pre-apprenticeship training, in coordination with apprenticeship program(s), as specified.

#### **b. General Criteria to Expend AB104 Adult Education Program funds**

In order to expend program funds, the following **general criteria** must be followed:

##### ***General Criteria***

1. The entity (community college district, county office, JPA and K-12 district) must be a member of a regional consortium.
2. The member district must be located within the regional boundaries of the consortia as determined by the Chancellor and the Superintendent, with the advice of the executive director.
3. Each regional consortium must have an approved adult education plan (the annual plan template) that addresses the fiscal year in which the funds will be expended.
4. Funds may only be expended within the **seven program areas** as prescribed in the CAEP education code (Section 84913).
5. Each regional consortium must have an approved 3-year consortia plan that includes any amendments.
6. **Expenditure of CAEP Funds must align with the annual plan as approved by the regional consortium for that specific year.**
7. All members shall participate in expenditure decisions made by the consortium. Consortia and members must follow public meeting requirements as listed in the legislative requirements.

**c. Expenditure must be *reasonable and justifiable***

All CAEP expenditures must be *reasonable and justifiable*. “Reasonable” means that expenditures will be made prudently and with every effort to utilize funds efficiently. “Justifiable” means that expenditures are consistent with CAEP program goals and activities related to the seven program areas as identified in the CAEP Program budget language.

**d. Allowable Costs - Must Meet Three Primary Criteria**

1. Substantiate that the cost was necessary and reasonable for proper and effective administration of the allocations.
2. The cost must be allocable to the funding source activities.
3. The cost must not be a general expense required to carry out the consortia member’s overall responsibilities (i.e. not supplanting).

In addition, the costs must be approved within the 3-year consortia plan and the annual plan template of the regional consortia as agreed upon by its membership. Otherwise, they are not allowable within that year. In addition, the State has the discretion to impose special conditions.

**e. Allowable Costs – Other Types of Costs**

1. Travel
  - a. Only travel necessary for the project is allowed. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business for the grant. Such costs will be based on the fiscal agent’s per diem rates. Travel costs shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the member district in its regular operations as the result of the member district’s written travel policy.
  - b. Out of state travel: The Consortium is required to approve a member district’s out of state travel request. This can be accomplished through the submission and certification of the annual program budget and workplan to the State via NOVA (state reporting system), or can be placed on the agenda for approval at a public meeting. Refer to Section 4 for further discussion of member-district reporting.
  - c. Out of country travel is not allowable.
2. Capital outlay
  - a. All capital outlay expenditures (including building improvements, rental space, leases, construction, etc.) will be closely scrutinized.
  - b. Member districts must adhere to all state and local policies and procedures related to capital outlay. This includes the member district’s facilities approval and procurement processes, and notification of the State agency’s facilities department.
  - c. All capital outlay expenditures (including building improvements, rental space, leases, construction, etc.) must be submitted by the member district *in advance* to the Consortium Board for approval. Once the Consortium’s Board has reviewed,

approved, and established that the expenditures are aligned with the Consortium's 3-year plan, the Consortium must notify the CAEP Office (send an informational email) to inform them of the proposed expenditures. The CAEP Office reserves the right to ask questions regarding any purchase and can prohibit any activity that it deems not meeting the reasonable and justifiable criteria.

- d. At the beginning of each year, member districts must confirm with the Consortium the amount of capital outlay budget to be carried over. The carry-over can only be used for projects that have been approved by the Board. Any new capital outlay project/expenditures must be submitted for Consortium Board approval, as noted above.
- e. The capital outlay budget should be equal to the beginning balance or carry-over plus the approved amount for the current fiscal year.

3. Indirect costs: Under EC 84913,

- a. K-12 districts - may use their CDE approved indirect cost rate for any CAEP/CAEP apportioned funding or 5%, whichever is less.
- b. Community College Districts – may use up to either their approved indirect cost rate as directed in Code of Federal Regulations (CFR) 200.414 up to the development *minus* amount as allowed in the CFR or 5%, whichever is less.
- c. See **Exhibit 7** for indirect cost reasonableness recalculation to be used in the member-district's report preparation process.

**f. Recording CAEP Activity in Member Financial Systems**

In accordance with CAEP Fiscal Management Guide, program funds received by a participating school district are to be deposited in a separate fund of the school district to be known as the Adult Education Fund and would require moneys in the Adult Education Fund to be expended only for adult education purposes.

K-12 and COEs

1. K-12 and COEs must adhere to the following reporting requirements:
  - a. All Adult Education Program revenue should be recorded in **Fund 11**, Adult Education Fund, using Resource 6391, Adult Education Program. Fund 11 is the only fund valid in combination with Resource 6391.
  - b. LEAs that continue to formally commit LCFF revenue to the purposes of adult education should use Object 8091, LCFF Revenue Transfers, to transfer the committed LCFF revenue from their general fund to Fund 11.
  - c. There are no statutory provisions preventing an LEA from carrying over funds, however, a consortium may change the amount of adult education funds available in future years based on actual prior fiscal year spending.
  - d. LEAs will use the same resource code for MOE and non-MOE funding
2. K-12 and COE (LEAs) that receive CAEP funding directly from the state
  - a. Use Resource 6391, Adult Education Program, and Object 8590, All Other State Revenue

Community College Districts

The treatment of funds received as the fiscal agent for disbursement to other participants is different than for funds received by the district for the direct costs of providing adult education services, as outlined below:

1. Community College Districts must adhere to the following reporting requirements:
  - a. Fiscal Agent: Fiscal Agent Funds received from the State under a fiscal agent agreement that are then disbursed within 45 days to other adult education providers should be recorded in the restricted General Fund as 8900 “Other Financing Sources” using revenue object code 8970 “Fiscal Agent Pass Through”. Disbursements should be coded to “Other Outgo-Other Transfers” using expenditure object code 7400 “Other Transfers”, excluding indirect cost recovery
  - b. Participant/Provider: If a portion of the funds received as a fiscal agent are for the district’s own adult education program, then those funds should be recorded initially as described above. A transfer (other outgo) will be recorded to the fiscal agent funds for the district’s share. The district will recognize its share of the funds in the restricted General Fund using revenue object code 8620 “General Categorical Programs”. Expenditures should be recorded in expenditure object codes 1000-6000 as appropriate. Likewise, if the district is not the fiscal agent and is receiving CAEP funds, those funds should be recorded to the restricted General Fund using revenue object code 8620 “General Categorical Programs” and expenditure object codes 1000- 6000 as appropriate.

**SECTION 3 – Member Effectiveness**

In accordance with the CAEP Fiscal Management Guide, member effectiveness must be determined based upon the following criteria:

1. Each member must participate in completing and updating the Annual Plan Template.
2. CAEP member funds must be expended within the seven program areas, and services provided must be consistent with the plan.
3. Each member must participate in completing and updating the 3-year Consortia Plan, including any amendments
4. Member expenditures of CAEP funds must align with the objectives of the consortium’s annual plan as approved by the regional consortium board. Members participate in consortium/public meetings.
5. Members participate in consortium final decisions.
6. Members report student level enrollment data and outcomes for quarterly and final reporting.
7. Members must share information on programs offered, and the resources being used to support the programs.
8. Members provide services that address the needs identified in the adult education plan.
9. Members file financial expenditure and progress reports with the Consortia and input financial data in the state reporting system (NOVA).

**SECTION 4 – Reporting – Consortiums and Member District**

In accordance with the CAEP Fiscal Management Guide, the following reports must be submitted to the State via NOVA (state reporting system):

	<b>Report</b>	<b>Submitted By</b>
1.	Consortium Fiscal Administrative Declaration (CFAD)	Consortium
2.	Consortium 3 – Year Plan	Consortium
3.	Consortium Annual Plan	Consortium
4.	Budget and Workplan	Member-district
5.	Budget Adjustments	Member-district
6.	Expense Reporting	Member-district
7.	Funding Allocation Amendments (between member-districts)	Member-district
8.	FIFO and Close-out Reports	Member-district

Refer to the CAEP Fiscal Management Guide for further discussion of these reports and the related reporting timelines.

**Member-District Quarterly Expense Reporting:**

Every quarter, consortium members must submit their year-to-date expenditure reports to the State via NOVA. NOVA expenditure reports are year to date (cumulative) and expenses cannot be less than what was reported in the previous quarter. Once the member district’s report is submitted in NOVA, the consortium must review, approve, and certify.

## **SECTION 5 – Consortium Oversight and Monitoring Procedures**

### **I. Risk Assessment Process and Considerations**

LARAEC should use a risk-based assessment approach in selecting member districts for review. Reviews can be classified as:

- **Limited scope review;** or
- **Extended scope review** (see further discussion below).

See further discussion of each type of review in Section II below. The primary factors to be considered in selection of member districts for Extended and Limited scope reviews are as follows:

- Total dollar amount of expenditures for the year (budget and actual) for each member district (as a percentage of total program expenditures)
- **At a minimum, a member district must be subject to an Extended scope review at least 1x every 3 years (3 year cycle).**
- Prior findings as a result of LARAEC monitoring procedures or other related audits/reviews of a member district
- Other relevant risk factors identified

The above factors are incorporated in the following Risk Assessment - Summary Decision Table:

**Risk Assessment - Summary Decision Table**

Period: 7/1/18 - 6/30/19	Fiscal Year: 2019				1	2	3	Scope Determination
Member District	Total Budget	Total Expenditures (YTD)	\$ Size (% of Total Budget)	\$ Size (% of Total Expenditures)	Rotation Criteria (site visit at least 1x every 2 years)	Top 3 (\$ size)	Findings in Prior Years	Site Visit or Desk Review
Los Angeles Unified School District	\$ 110,071,989	\$ 102,264,539	75%	81%		X		Site Visit
Montebello Unified School District	\$ 16,054,582	\$ 9,762,322	11%	8%		X		Site Visit
Los Angeles Community College District	\$ 14,207,188	\$ 8,965,329	10%	7%		X		Site Visit
Burbank Unified School District	\$ 3,511,155	\$ 3,125,045	2%	2%				Desk Review
Culver City Unified School District	\$ 2,228,352	\$ 1,513,179	2%	1%				Desk Review
<b>Total LARAEC</b>	<b>\$ 146,073,266</b>	<b>\$ 125,630,414</b>	<b>100%</b>	<b>100%</b>				

**II. Site Visits and Desk Review Procedures**

LARAEC will conduct periodic site visits and desk reviews to review a member district’s overall implementation of the program, adherence to program guidelines, and achievement of program goals and objectives. Site visits and desk compliance reviews are used to

assess a member district's fiscal and administrative compliance with laws, regulations, and program guidelines. These procedures are performed via field (on-site) or desk reviews (offsite), *either Limited or Extended* in scope.

Monitoring and oversight can be performed by LARAEC in the following two ways:

**1. Limited Scope Desk Compliance Review (offsite)**

**Definition:** A remote review of financial records and analysis of financial and programmatic information, either together or separately, by LARAEC staff. Financial and programmatic data is reviewed by LARAEC staff in their office and may consist of communication by e-mail, mail, and teleconference.

A **Limited Scope** review allows the member districts to make certain assertions regarding various aspects of their program operations. These reviews may consist of, but are not limited to, the following:

- LARAEC review of completed **Program Compliance Questionnaire** (completed by member district) and follow-up on corrective action, if required;
- Selected reviews of transactions as deemed necessary (i.e. review of payroll records, invoices, and other documents supporting a reimbursement claimed by the member district)
- Limited field reviews to verify capital outlay purchases and test equipment management practices; and
- Follow-up site visits to verify implementation of any required corrective action.

The scope of the limited review can be expanded as needed.

**2. Extended Site Visit and Desk Compliance Review (onsite)**

The objective of an extended review is: (1) to test the member district's internal controls to ensure proper management of the program, including its accounting, procurement, contracting, and capital outlay/equipment management practices and procedures; and (2) to verify program expenditures are allowable and allocable to the program and have been allocated properly to the appropriate cost category during the performance period; and (3) expenditures are supported with the appropriate documentation.

An **Extended Scope** review may include the following:

- Review of the member district's Year to Date Expenditures and Progress Report

- Compliance testing of expenditures for program allowability in accordance with the CAEP Fiscal Management Guide. This entails selecting a sample expenditure transactions (both payroll and non-payroll expenditures).
- Follow-up procedures on current status of corrective action plan for any previously identified findings (as listed on Summary of Findings (refer to **Exhibit 5**))
- Any other areas of concern identified based on discussions with member-district personnel and/or review of information provided by member-district during the review fieldwork.

**3. LARAEC Monitoring and Oversight Activities – Summary of Activities by Type of Review**

The following table summarizes the activities for each type of review:

Activity #	LARAEC Activity	Exhibit	Limited Scope Review (offsite)	Extended Scope Review (onsite)
1.	Planning – Pre-Review Task List	<a href="#">Exhibit 1.1</a>	<b>X</b>	<b>X</b>
2.	Program Compliance Questionnaire	<a href="#">Exhibit 1.2</a>	<b>X</b>  (completed by Member for LARAEC review)	<b>X</b>  (initially completed by Member and finalized in conjunction with LARAEC/Member onsite meeting)
3.	Monitoring Checklist	<a href="#">Exhibit 2</a> <a href="#">Exhibit 6</a>	<b>X</b>	<b>X</b>
4.	Compliance Testing of Expenditures  (Note: includes selecting sample of transactions)	<a href="#">Exhibit 3</a>	Not applicable for Limited scope review	<b>X</b>
5.	Follow-up on Prior Findings and Corrective Action Plans	<a href="#">Exhibit 4</a>	<b>X</b>	<b>X</b>
6.	Issue Monitoring Review Report	<a href="#">Exhibit 5</a>	Not applicable for Limited scope review (however, may issue as needed if issues are identified)	<b>X</b>

**A. Planning – Pre-Review Tasks List**

Refer to [Exhibit 1.1](#) for the Pre-Review Tasks List.

**B. Program Compliance Questionnaire**

**B.** Refer to [Exhibit 1.2](#) for example Program Compliance Questionnaire.

**B.**

**B.**

**C. Monitoring Checklist**

**B.** The Monitoring Checklist is an analysis tool for LARAEC staff to use in 1) reviewing the member district information for both types of  
**B.** reviews and 2) documenting LARAEC’s review procedures and results. Refer to [Exhibit 2](#) for example Monitoring Checklist.

**B.**

### III. Compliance Testing of Expenditures

**Objectives:** To determine that the expenditures are appropriately documented and that the activities aligned with LARAEC's goals and objectives and meet the criteria for program allowability per the CAEP Fiscal Management Guide (refer to Section 2: Program Allowable Costs and Activities). If the activities involved using consultants or contractors, determine if the Member District followed the appropriate procurement policies.

For payroll-related expenditures (salaries and benefits), this includes determining that control procedures are utilized to ensure that programs are allocated the correct expense amount based on the benefits received.

For any capital outlay expenditures, this includes determining that the expenditures are supported by invoices and that a listing of the equipment/property is maintained by the Member District. Additionally, verify that the capital outlay expenditure was approved in advance by the Consortium, as required.

#### **Compliance Testing Procedures:**

Refer to [Exhibit 3](#) for detailed Compliance Testing Procedures template.

**Sample Size:** A total sample size of 30 expenditure transactions will be selected for compliance testing. The sample size will be allocated pro-rata to the following categories based on relative dollar amount:

- Payroll expenditures: includes Instructional Salaries (#1000), Non-instructional Salaries (#2000), and Employee Benefits (#3000)
- Non-payroll expenditures: includes Supplies and Materials (#4000), Other Operating Expenses and Services (#5000), Other Outlay (#6000), and Other Outgo (#7000)

#### IV. Follow Up on Member Districts Prior Findings and Corrective Action Plans

Refer to [Exhibit 4](#) for the procedures to be performed by LARAEC related to follow-up on a member district's prior findings and corrective action plans.

Refer to [Exhibit 5](#) for the Summary of Findings template (to be prepared by member-district). The Summary of Findings template includes the following information:

- Finding reference number
- Criteria or requirement
- Description or identified condition
- Questioned cost or disallowed cost (nature, dollar amount, and how calculated)
- LARAEC recommendation
- Views of responsible member-district officials (include personnel name/title) and planned corrective action (include expected implementation date)
  - Member-district must indicate expected implementation date based on internal assessment of the identified condition and the nature of the planned corrective action plan
- Current status (implemented, partially implemented, or not implemented)
- Member-district explanation if not fully implemented

#### V. Monitoring Review Report

Upon completion of an Extended Scope review, the next step is to issue a formal monitoring review report to the member district including senior management and key administrative staff. The report should outline all non-compliance issues and findings, provide recommendations for improvement and may request the member district to prepare a corrective action plan.

Guidelines and criteria for documentation of issues in the monitoring review report are as follows:

- **Findings:** A finding is an operational deficiency in internal controls, noncompliance with provisions of laws, regulations, contracts, grants, or fraud, waste and abuse.
- **Recommendations:** A recommendation must provide a course of action that will correct a finding or issue that has been identified and provide improvements. Recommendations should be action-oriented, convincing, well-supported, and effective.
- **Questioned Costs:** A questioned cost can result from a violation, or possible violation, of a statute, regulation, or the terms and conditions of the program agreement. In addition, it could be a cost not supported by adequate documents, or appears unjustifiable or unreasonable and does not reflect the actions a prudent member district would take in the circumstances.

- **Disallowed Costs:** A disallowed cost is a charge that LARAEC determines to be unallowable under the California Adult Education Program guidelines.
  
- **Corrective Action Plan (CAP):** Once the member district receives the monitoring review report, the member district will have 60 days to either 1) dispute the finding and provide supporting documentation to resolve the issue; or 2) confirm the finding and provide a formal CAP to correct and address the finding. The member-district must indicate the expected implementation date based on internal assessment of the identified condition and the nature of the planned corrective action plan, with an implementation timeframe not to exceed 6 months. If necessary, follow-up reviews will be conducted by LARAEC to ensure that the corrective action plan is implemented timely.

Refer to [Exhibit 5](#) for Extended Scope Review - Summary of Findings template.

## VI. Member District Effectiveness

LARAEC staff performs procedures related to verification of member district effectiveness criteria (refer to Monitoring Checklist) in conjunction with the limited and extended scope reviews. LARAEC staff has also developed the **Effectiveness Report Template** as an additional tool to review member district and overall consortium effectiveness. Refer to **Exhibit 6** for the Effectiveness Report Template. On a quarterly basis, LARAEC staff must obtain required data from member districts to complete the template. LARAEC staff should review the report and assess results for each member district as well as on an overall consortium basis.

## **SECTION 6 – Project Phases 1 and 2 – Preliminary Observations and Recommendations**

Phase 1 of the project involved gaining an understanding of **LARAEC's** existing policies and procedures for oversight and monitoring.

Phase 2 of the project involved gaining an understanding of **member-districts'** procedures and systems for AB 104 data accumulation procedures and reporting to the State and LARAEC. The following 3 member-districts were selected for site visits:

1. Los Angeles Unified School District (LAUSD)
2. Montebello Unified School District (MUSD)
3. Los Angeles Community College District (LACCD)

The site visits entailed performing inquiries to gain an understanding of systems used by member-districts to 1) accumulate and transmit data to the State (via the Nova system) and 2) report to LARAEC, as required by the AB 104 program, through interviews and documentation of processes (including flowcharts and walkthroughs). Areas of focus included the following cycles:

- Budgeting,
- Payroll (payroll-related expenditures)
- Procurement / disbursements (non-payroll expenditures)
- Reporting

As a result of Phases and 1 and 2, Vasquez has provided preliminary observations and recommendations (refer to **Exhibit 8**).

## Exhibit 1.1 – Planning – Pre-Review Tasks List

<b>Planning (Pre-Review) Tasks</b>		
	<i>Procedure</i>	<i>Results</i>
1.	Perform risk assessment procedures using Risk Assessment – Summary Decision Table.	
2.	Establish timetable and annual schedule for LARAEC’s limited and extended scope desk compliance reviews.	
3.	<p>Based on established timetable, send <b>Program Compliance Questionnaire</b> (refer to <b>Exhibit 1.2</b> for example questionnaire) to member district for completion in order for LARAEC to collect required data. Note: For an extended scope review (onsite), the completed questionnaire will be reviewed and discussed with member district management in an onsite fieldwork meeting.</p> <p>The Program Compliance Questionnaire should be developed/updated by LARAEC staff as needed. The data collected via <b>Program Compliance Questionnaire</b> may include such items as:</p> <ul style="list-style-type: none"> <li>a. Description of member district’s overall structure, key personnel handling management and operational duties related to the Adult Education Program</li> <li>b. LARAEC’s Annual Plan includes each member districts’ plan for meeting program objectives. Each member district has their own internal process in place for ongoing monitoring and review of program performance unique to their specific program. In order to verify that member-districts have a program monitoring process in place, the member district should</li> </ul>	

<b>Planning (Pre-Review) Tasks</b>		
	<i>Procedure</i>	<i>Results</i>
	<p>provide evidence of their own internal <b>Program Performance Analysis Documentation</b>, which should include plan, data, and relevant documentation on how the member district is carrying out the program objectives (as included in the Annual Plan). This should include a comparison of actual accomplishments to objectives and reasons for any variances. Note: If such program monitoring documentation cannot be provided by a member district, this should be considered a finding.</p> <ul style="list-style-type: none"> <li>c. Employee time-keeping policies and methodology for recording/allocating time across programs</li> <li>d. Procurement policies and procedures</li> <li>e. Capital outlay policies and procedures and related inventory tracking procedures</li> <li>f. Travel policy</li> <li>g. General ledger information: <ul style="list-style-type: none"> <li>- Detail transaction listing and reconciliation for the current period for all expenditure amounts (by object code) listed in the Year to Date Expenditure and Progress Report. If performing an Extended scope review, this detail listing may be used to select a sample of transactions (payroll and non-payroll).</li> </ul> </li> <li>h. Equipment and inventory records</li> <li>i. Any significant changes in internal controls related to the program</li> </ul>	

## Exhibit 1.2 – Program Compliance Questionnaire

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
<b>1.0</b>	<b>Organizational Structure</b>	
1.1	Description of overall organizational structure.	
1.2	List of key personnel handling management and operational duties for the Adult Education Program.	
<b>2.0</b>	<b>Accounting Policies and Procedures</b>	
<b>2.1</b>	Are there formal Accounting Policies and Procedures in the following areas:	
2.1.1	• Procurement	
2.1.2	• Contract Administration	
2.1.3	• Payroll and personnel compensation	
2.1.4	• Inventory	
2.1.5	• Vendor Payments	
2.1.6	• Program budgeting and accounting	
2.1.7	• Cash receipts	

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
2.1.8	<ul style="list-style-type: none"> <li>• Cash disbursements</li> </ul>	
2.1.9	<ul style="list-style-type: none"> <li>• Resolution of audit findings</li> </ul>	
2.2	Does the organization have a written conflict of interest for employees”	
2.3	Are there sufficient internal controls in place to protect against waste, fraud and abuse of Federal funds (segregation of duties, etc.)?	
2.4	Does the organization use the same policies and procedures for accounting for both state and federal funds?	
2.5	Are all appropriate accounting staff trained on current policies, procedures, and instructions for accounting and expending of CAEP funds?	
2.6	What accounting system does the organization use?	
2.7	What accounting basis is used (cash basis, accrual basis, or modified accrual)	
2.8	To ensure open invoices and amounts for goods and services received are properly accrued, recorded or controlled, does the organization use checklists for quarterly report-closing procedures?	
2.9	How are CAEP funds identified and tracked in the accounting system? Are they identified by funding source and object code?	
2.10	For each program/grant, does the accounting system provide information on the following:	

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
2.10.1	<ul style="list-style-type: none"> <li>• Authorizations</li> </ul>	
2.10.2	<ul style="list-style-type: none"> <li>• Obligations</li> </ul>	
2.10.3	<ul style="list-style-type: none"> <li>• Funds received</li> </ul>	
2.10.4	<ul style="list-style-type: none"> <li>• Capital Outlays</li> </ul>	
2.10.5	<ul style="list-style-type: none"> <li>• Unobligated balances</li> </ul>	
2.11	Are accounting records supported by source documentation (i.e. cancelled checks, invoices, and other supporting documentation)?	
2.12	Are payment vouchers identified by:	
2.12.1	<ul style="list-style-type: none"> <li>• Program/grant number</li> </ul>	
2.12.2	<ul style="list-style-type: none"> <li>• Expense classification</li> </ul>	
2.12.3	<ul style="list-style-type: none"> <li>• Funding source</li> </ul>	
2.12.4	<ul style="list-style-type: none"> <li>• Transaction date</li> </ul>	
2.13	Are purchasing and disbursement functions separate?	
2.14	Cash Management	
2.14.1	<ul style="list-style-type: none"> <li>• Is the cash receipts function performed by someone other than the person who is responsible for signing checks, reconciling bank accounts, or</li> </ul>	

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
	maintaining non-cash Accounting records (i.e. ledgers or journals)?	
2.14.2	<ul style="list-style-type: none"> <li>• Are all disbursements controlled by check registers?</li> </ul>	
2.14.3	<ul style="list-style-type: none"> <li>• Do supporting documents accompany checks when they are submitted for signature?</li> </ul>	
2.14.4	<ul style="list-style-type: none"> <li>• Are supporting documents cancelled to prevent reuse?</li> </ul>	
2.14.5	<ul style="list-style-type: none"> <li>• Are invoices or vouchers approved in advance by authorized officials?</li> </ul>	
2.15	Do accounting staff review and verify the following prior to entering a transaction into the accounting system?	
2.15.1	<ul style="list-style-type: none"> <li>• Authorizations</li> </ul>	
2.15.2	<ul style="list-style-type: none"> <li>• Purchase orders</li> </ul>	
2.15.3	<ul style="list-style-type: none"> <li>• Disbursements</li> </ul>	
2.16	Does the system provide for prompt and timely recording of all financial transactions?	
2.17	Are there controls to preclude:	
2.17.1	<ul style="list-style-type: none"> <li>• Inappropriate disbursements</li> </ul>	
2.17.2	<ul style="list-style-type: none"> <li>• Duplicate charges</li> </ul>	
2.18	Are all reports prepared on the same basis as the accounting system?	

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
2.19	Are the organization's payroll expenditures:	
2.19.1	<ul style="list-style-type: none"> <li>Supported by a system of internal control that provides reasonable assurance the charges are accurate, allowable and properly allocated?</li> </ul>	
2.19.2	<ul style="list-style-type: none"> <li>Reasonably reflective of the total activity for which the employee is compensated?</li> </ul>	
2.19.3	<ul style="list-style-type: none"> <li>In compliance with the organization's established policies and procedures?</li> </ul>	
2.19.4	<ul style="list-style-type: none"> <li>Supportive of the distribution of the employee's salary or wages among specific activities or cost objectives?</li> </ul>	
2.20	If budget estimates are used to support personnel expense charges to programs: (i.e. estimate based on allocation/calculation, for example)	
2.20.1	<ul style="list-style-type: none"> <li>Are they used for accrual purposes only?</li> </ul>	
2.20.2	<ul style="list-style-type: none"> <li>Do established estimates produce reasonable approximations of the activity performed?</li> </ul>	
2.20.3	<ul style="list-style-type: none"> <li>Are significant changes in corresponding work activity identified and entered into the accounting system on a timely basis?</li> </ul>	
2.21	Enrollment Data	
	<ul style="list-style-type: none"> <li>Is enrollment data supported by system source data?</li> </ul>	
	<ul style="list-style-type: none"> <li>Is enrollment data reconciled from the various systems on a regular basis?</li> </ul>	
<b>3.0</b>	<b>Audit Reports and Other Relevant Review Reports</b>	

<b>Program Compliance Questionnaire</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
3.1	Obtain copies of most recent audit report and any review reports.	
<b>4.0</b>	<b>Adult Education Program – Program Performance</b>	
4.1	Member district’s <b>Program Performance Analysis Documentation</b> , which should include plan, data, and relevant documentation on how the member district is carrying out the program objectives (as included in the Annual Plan). This should include a comparison of actual accomplishments to objectives and reasons for any variances.	
<b>5.0</b>	<b>Adult Education Program (AB 104 Funds) - Reporting Process:</b>	
5.1	Enrollment counts – reported to LARAEC and the State	
5.1.1	<ul style="list-style-type: none"> <li>• Evidence of source documentation to support the reported enrollment counts</li> </ul>	
5.2	Quarterly reports (Year to Date Expenditures and Progress Report):submitted to the State via NOVA (state reporting system)	
5.2.1	<ul style="list-style-type: none"> <li>• Formal review and approval by appropriate program personnel prior to submission</li> </ul>	
5.2.2	<ul style="list-style-type: none"> <li>• Evidence of source documentation to support reported amounts</li> </ul>	
5.2.3	<ul style="list-style-type: none"> <li>• Capital outlay expenditures – evidence of CAEP and Consortium approval provided <i>in advance</i> of expenditure</li> </ul>	
5.2.4	<ul style="list-style-type: none"> <li>• Indirect cost criteria – indicate criteria used for calculation of indirect cost amount</li> </ul>	

## Exhibit 2 – Monitoring Checklist

<b>Monitoring Checklist</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
<b>1.0</b>	<b>Review and Verification</b>	
1.1	Obtain Program Compliance Questionnaire (refer to <a href="#">Exhibit 1.2</a> ), as completed by member-district.	
1.2	<p>Formal policies and procedures for the following areas:</p> <ul style="list-style-type: none"> <li>- Procurement</li> <li>- Employee time-keeping</li> <li>- Payroll and personnel compensation</li> <li>- Capital outlay</li> <li>- Travel</li> <li>- Equipment and inventory management</li> <li>- Cash disbursements</li> <li>- Cash receipts</li> <li>- Indirect cost</li> </ul> <p>(Note: In initial monitoring year, review formal policies and procedures for areas listed)</p>	
1.3	<p>Programmatic performance to date and method by which program objectives are measured (prepared by member-district):</p> <p><b>Program Performance Analysis Documentation</b> (as prepared by each member district' unique to each member district's program), which should include:</p> <ul style="list-style-type: none"> <li>- comparison of actual accomplishments to objectives established by the program</li> <li>- source data to support member's actual accomplishments</li> <li>- reasons why established goals have not been met, if applicable</li> </ul>	

<b>Monitoring Checklist</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
1.4	Key personnel performing duties related to the program	
1.5	Segregation of duties	
1.6	Additional relevant information provided by member-district	
1.7	Any significant developments (favorable or otherwise), problems, adverse conditions noted by member-district related to the program	
1.8	Program funds must be recorded in a separate fund and object codes as specified in CAEP Fiscal Management Guide. Does the member's accounting system identify receipts and expenditures for the program in a separate fund?	
1.9	Review of general ledger information provided: <ol style="list-style-type: none"> <li>1. Detail transaction listing supporting expenditure amounts reported for the period.</li> <li>2. Reconciliation of detail transaction listing to reported expenditure amount.</li> <li>3. Selected source documentation provided</li> <li>4. Selected payroll records provided</li> </ol>	
1.10	<p>For Extended Scope Reviews only, perform compliance testing procedures (refer to Section 5 for Compliance Testing Procedures).</p> <p><b>Sample Size:</b> A <u>total sample size of 30</u> expenditure transactions will be selected for compliance testing. The sample size will be allocated pro-rata to the following categories based on relative dollar amount:</p> <ul style="list-style-type: none"> <li>• Payroll expenditures:               <ul style="list-style-type: none"> <li>- Instructional Salaries (#1000)</li> <li>- Non-instructional Salaries (#2000)</li> </ul> </li> </ul>	

<b>Monitoring Checklist</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
	<ul style="list-style-type: none"> <li>- Employee Benefits (#3000)</li> <li>• Non-payroll expenditures:               <ul style="list-style-type: none"> <li>- Supplies and Materials (#4000)</li> <li>- Other Operating Expenses and Services (#5000)</li> <li>- Other Outlay (#6000)</li> <li>- Other Outgo (#7000)</li> </ul> </li> </ul>	
1.11	Follow up with the member-district for any missing information originally requested or additional information requests as a result of the review.	
<b>2.0</b>	<b>Evaluation</b>	
2.1	<p>Based on review of all information obtained in previous steps, assess whether the requirements of the program are being met.</p> <p>Evaluate the following:</p> <ol style="list-style-type: none"> <li>1. Program needs meeting needs of the community (needs-based)</li> <li>2. Current levels and types of services (enrollment data, outcomes)</li> <li>3. Funds provided to member districts (cost effective)</li> <li>4. Member effectiveness (overall effectiveness) – see item 3.0</li> </ol>	
<b>3.0</b>	<b>Verification of Member Effectiveness Criteria</b>	
3.1	Member participated in completing and updating the Annual Plan Template.	

<b>Monitoring Checklist</b>		
	<i>Procedure/ Verification</i>	<i>Results</i>
3.2	CAEP member funds were expended within the seven program areas, and services provided are consistent with the plan.	
3.3	Member participated in completing and updating the 3-year Consortia Plan, including any amendments (most recent)	
3.4	Member expenditures align with the objectives of LARAEC's annual plan as approved by the LARAEC board. Member participates in consortium/public meetings.	
3.5	Member participates in consortium final decisions.	
3.6	Member reports student level enrollment data and outcomes for quarterly and final reporting (related to fiscal period under review)	
3.7	Member shares information on programs offered, and the resources being used to support the programs.	

### Exhibit 3 – Compliance Testing Procedures for Expenditures

<b>Compliance Testing Procedures</b>			
<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
<b>1.0</b>	<p><b>Non-Payroll Expenditures</b></p> <p>Includes the following object codes:</p> <ul style="list-style-type: none"> <li>- Supplies and Materials (#4000)</li> <li>- Other Operating Expenses and Services (#5000)</li> <li>- Other Outlay (#6000)</li> <li>- Other Outgo (#7000)</li> </ul>		
1.1	Did the Member District appropriately document the expenditures through evidence of supporting documentation and review and approval?	<p>Obtain invoice and supporting documentation for the expenditure and verify:</p> <ul style="list-style-type: none"> <li>• Invoice date, description, and dollar amount</li> <li>• Evidence of review and approval by authorized personnel</li> </ul>	
1.2	If the expenditures relate to the use of consultants/contractors, did the Member District follow it's established procurement policies and procedures to hire the consultants or contractors?	Match procurement documentation maintained supporting the sampled expenditure against Member District's formal procurement procedures.	
1.3	Did the Member District accurately report the expenditures in their accounting records?	Trace selected expenditures to accounting records.	

**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures**

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1.4	Does nature of the expenditure align with the member district's Annual Plan?		
1.5	Does expenditure relate to one of the seven program areas, as listed in the CAEP Education Code (Section 84913)?	Based on nature of expenditure and review of supporting source documentation, determine and document the related program area.	
1.6.	Is expenditure considered <i>reasonable</i> and <i>justifiable</i> , as defined in CAEP Fiscal Management Guide, for the performance of the program intent? Is nature of activity consistent with program objectives?		

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Member District Monitoring Procedures**

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
1.7	Does expenditure meet the 3 primary criteria for allowability?		
1.7.1	<ul style="list-style-type: none"> <li>• Substantiate that the cost was necessary and reasonable for proper and effective administration of the program.</li> </ul>	Review supporting documentation and determine if criteria are met. Document conclusions.	
1.7.2	<ul style="list-style-type: none"> <li>• Cost must be allocable to the funding source activities</li> </ul>		
1.7.3	<ul style="list-style-type: none"> <li>• Cost must not be a general expense that is used to carry out the member district's overall responsibility</li> </ul>		
1.8	Is expenditure adequately documented and did it occur during the "Performance Period" (i.e. approved within the three year period included in the Annual Plan)?	Review supporting documentation and determine date of expenditure and date of approval. Document conclusions.	
1.9	Was expenditure paid prior to requesting reimbursement?		
1.10	If applicable, is expenditure allocated according to cost allocation plan or an approved indirect cost rate plan?		
1.11	For an expenditures that may be allocated (i.e. rent or other), the cost is allocated appropriately to related programs.	Review supporting documentation for allocation to applicable programs.	

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
2.0	<b>Capital Outlay Expenditures</b>		
2.1	For the capital outlay expenditure, did the Member District obtain approval <b>in advance</b> from the Consortium?  If approval is not obtained in advance, the cost is deemed unallowable.		
2.2	Did the Member District maintain invoices to support the equipment expenditures?	Inquire with Member District's representative if expenditures were incurred related to capital outlay.	
2.3	Did the Member District follow it's established procurement procedures to purchase the equipment?	Match procurement documentation maintained which supported the sampled expenditures against the Member District's formal procurement procedures.	
2.4	Did the Member District accurately report the capital outlay expenditure(s) in its accounting records?	Trace selected capital outlay expenditures to accounting records. Inspect copy of cancelled check to verify the payment to the approved vendor.	

**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures**

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
2.5	<p>Did the Member District maintain an capital assets/ equipment inventory that listed the following:</p> <ul style="list-style-type: none"> <li>(a) Description of equipment</li> <li>(b) Serial number/Equipment number</li> <li>(c) AEL No.</li> <li>(d) Fund source/year</li> <li>(e) Title Holder</li> <li>(f) Percentage of Federal participation</li> <li>(g) Acquisition date</li> <li>(h) Acquisition cost</li> <li>(i) Equipment location (as of specific date)</li> <li>(j) Use and Condition of equipment (as of a specific date, useful life, etc.)</li> </ul> <p>Disposition data including date and sale price (if applicable)</p>	<p>Identify items (a) to (k) in the Member District’s capital assets inventory record.</p>	
2.6	<p>Did the Member District conduct a physical inventory of capital assets purchased with program funds <u>at least</u> once every two years?</p>	<p>Inquire with Member District’s representative if a physical inventory of equipment was conducted within the past 2 years and if so, inspect documentation supporting the count.</p>	

**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures**

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
2.7	Was the capital asset physically inspected to ensure:		
2.7.1	<ul style="list-style-type: none"> <li>• The capital asset existed and agreed to inventory listing?</li> </ul>	Inspect selected capital assets listed in the Member District's equipment inventory listing.	
2.7.2	<ul style="list-style-type: none"> <li>• The equipment worked and adequately trained staff are available to operate the equipment?</li> </ul>	Observe the condition of the equipment and inquired the name(s) of the staff who was (were) tasked to operate the equipment and their position title.	
2.8	Did the Member District maintain the equipment in a secure location?	Observe the location and security of the selected equipment.	
2.9	For property other than equipment (i.e. supplies), did the Member District have controls and accountability to safeguard and ensure that the items are used solely for authorized purposes?	Inquire with the Member District's representative of the controls and procedures relating to supplies acquired using CAEP funds.	

**Los Angeles Regional Adult Education Consortium  
Member District Monitoring Procedures**

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
2.10	For equipment disposals, if any:		
2.10.1	<ul style="list-style-type: none"> <li>• Was the disposition consistent with state regulations?</li> </ul>	If there are equipment disposals, verify whether the Member District’s policy includes notifying the State when equipment is disposed and whether such policy was implemented.	
2.10.2	<ul style="list-style-type: none"> <li>• What is the status of the proceeds received from the disposal?</li> </ul>	For equipment disposals tested, examine documentation supporting the disposal and status of proceeds.	
2.11	Did the Member District have a policy for damaged, destroyed, lost or stolen equipment including, but not limited to, informing the State/LARAEC, steps to replace the equipment and an investigative process?	Obtain and review the Member District’s policy relating to damaged, destroyed, lost or stolen equipment.	

<i>Verification</i>		<i>Procedure</i>	<i>Results/Comments</i>
<b>3.0</b>	<p><b>Payroll Expenditures</b></p> <p>Includes the following object codes:</p> <ul style="list-style-type: none"> <li>- Instructional Salaries (#1000)</li> <li>- Non-instructional Salaries (#2000)</li> <li>- Employee Benefits (#3000)</li> </ul>		
3.1	Were employee timesheets signed and dated by a direct supervisor?	Verify supervisor approved timecard.	
3.2	Was employee paid according to approved pay rate?		
3.3	Does employee timesheet hours agree to the payroll check stub hours;		
3.4	Is employee payroll allocation accurate?		
3.5	<p>Is time and effort reporting appropriately documented to allocate employee payroll to programs?</p> <p>Note: This refers to any employee who may work on multiple programs and must submit time and effort reports as part of timesheet each pay period.</p>		

### Exhibit 4 – Procedures for Follow-Up on Prior Findings and Corrective Action Plan

<i>Verification</i>		<i>Procedures</i>	<i>Results/Comments</i>
1.0	<p>Ensure that the Member District corrected areas of non-compliance that remain outstanding and were reported as findings in prior LARAEC monitoring reports OR other Member District audits.</p> <p>Perform follow-up and establishing timeline for implementation of any corrective action plan.</p>		
2.0	<p>Establish regular follow-up schedule and timeline for Member District implementation of any corrective action plan.</p>		
3.0	<p>If the prior LARAEC monitoring report finding was resolved, explain resolution and indicate such in the current report as resolved.</p>	<p>Verify that corrective actions were implemented and are working effectively.</p>	
4.0	<p>If the prior year LARAEC monitoring report finding is not resolved, indicate why it has not been resolved and what the Member District is doing to resolve the prior year finding and indicate such in the current report.</p>	<p>Obtain reasons why recommendation was not implemented.</p> <p>Obtain corrective action plan including the date of implementation.</p>	

**Exhibit 5 – Extended Scope Review – Summary of Findings Template**

**See separate Excel file attached.**

## Exhibit 6 – LARAEC Member District Effectiveness Report Template

Los Angeles Regional Adult Education Consortium  
Effectiveness Report  
July 1, 2018 to June 30, 2019

DRAFT

District	Enrollees		Literacy Gains (Pre/Post)		CAEP Outcomes												
					(A5) Enrollees 1+ Hrs	Other Literacy Gains		HSD/HSE Achieved		Post-Secondary Achieved		Enter Employment Achieved		Increase Wages Achieved		Transitions to Post- Secondary Achieved	
	(A1) 0+ Hrs	(A2) 12+ Hrs	(A3) EFL Gains	(A3/A2) %		(A6) Outcomes	(A6/A5) %	(A8) Outcomes	(A8/A5) %	(A10) Outcomes	(A10/A5) %	(A12) Outcomes	(A12/A5) %	(A14) Outcomes	(A14/A5) %	(A16) Outcomes	(A16/A5) %
BUSD																	
CCUSD																	
LACCD																	
LAUSD																	
MUSD																	
LARAEC																	

District	Spending Targets				Expenditures & Activities Aligned with LARAEC Plan				% of Carry- over to Budget	% of Carry- over to Allocation
	Q1 (15%)	Q2 (30%)	Q3 (45%)	Q4 (60%)	Q1	Q2	Q3	Q4		
BUSD										
CCUSD										
LACCD										
LAUSD										
MUSD										
LARAEC										

**Notes:**

- (1) The Effectiveness Report template was developed as a response to the State Auditor recommendations to LARAEC and it is recommended by the PPT that it should only be used for this purpose. Effectiveness measures were determined based on AB104 Section 84920.
- (2) Data Source: SY 2018-2019 CAEP (Summary) Table dated 01.07.2020 from TE and SY 2018-2019 Quarterly Progress and Expense Reports
- (3) Supporting documentation available from the LARAEC office upon request.

**Exhibit 7 – Member District Quarterly Supplemental Reporting Package Template**

**See separate Excel file attached.**

## Exhibit 8 – Project Phases 1 and 2 – Preliminary Observations and Recommendations

	Observation	Recommendation
1.	<p><b><u>Member-districts – AB 104 Reporting Process</u></b></p> <p>Each member district has their own process in place for 1) accumulating and transmitting data to the State (via the Nova system) and 2) preparing the required quarterly reports for LARAEC. We noted that the member districts each utilize different IT systems for recording and tracking activity related to AB 104 funds.</p> <p>However, we noted the member district’s policies and procedures over the AB 104 funds reporting process are not formally documented. Additionally, the supporting documentation is not formally maintained in a central location.</p>	<p>We recommend that the member-districts implement formal policies and procedures over the reporting process related to AB 104 funds. Such policies and procedures should include:</p> <ul style="list-style-type: none"> <li>- data tracking and accumulation</li> <li>- report preparation process</li> <li>- review process – evidence of preparer and management review for all reports prior to submission to the State (via Nova system) and to LARAEC.</li> </ul> <p>Additionally, supporting documentation related to AB 104 funds reporting should be formally maintained in a central location.</p> <p>Established policies and procedures and formal maintenance of supporting documentation is critical to ensure completeness and accuracy of AB 104 funds reporting. This will also help facilitation efficiency of LARAEC’s oversight and monitoring procedures as supporting documentation for quarterly and annual reporting packages will be formally documented and readily available.</p>

	<b>Observation</b>	<b>Recommendation</b>
2.	<p><b><u>Member-districts – Program Performance Analysis Documentation</u></b></p> <p>Evidence of member-district’s program performance analysis documentation has not been provided.</p>	
3.	<p><b><u>LARAEC – Comprehensive Analytical Review Process</u></b></p> <p>Member-districts submit quarterly reports to LARAEC in a required format. The quarterly reports include budget and actual activity related to AB 104 funds and limited narrative analysis. We noted that the narrative analysis does not provide a sufficient level of information to facilitate a comprehensive analytical review analysis by LARAEC. Currently, LARAEC personnel review the quarterly reports submitted and communicate with each member-district on an as needed bases regarding analytical review inquiries. We understand that this process is somewhat time consuming.</p>	<p>We recommend that LARAEC implement a formal comprehensive analytical review template to be utilized by member-districts for quarterly report analysis. Member districts should complete this template and provide to LARAEC as part of their AB104 quarterly reporting.</p> <p>LARAEC plans to incorporate this into the Member District Quarterly Supplemental Reporting Package Template (see <a href="#">Exhibit 7</a>).</p>
4.	<p><b><u>LARAEC – Training Program</u></b></p> <p>We noted that the LARAEC does not currently have a formal training program in place for member districts. LARAEC regular communicates with the member districts regarding AB 104 funds and reporting. However, we noted that the Consortium does not currently conduct formal training sessions with member districts regarding</p>	<p>We recommend that the Consortium implement a formal training program for member district personnel regarding reporting of AB 104 funds This will:</p> <ul style="list-style-type: none"> <li>• Help ensure consistency and accuracy of member district’s quarterly reports;</li> <li>• Enhance efficiency of the Consortium’s review</li> </ul>

	<b>Observation</b>	<b>Recommendation</b>
	AB 104 reporting requirements.	process and help minimize the additional inquiries made to the member-districts regarding quarter



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