

**Education Audit Appeals Panel  
State of California**

Appeal of Fiscal Year 2006-07 Audit  
Findings 2007-2, 2007-4, 2007-5, and 2007-  
6 by:

All Tribes American Indian Charter  
School,  
Appellant.

EAAP Case No. 08-21

OAH No. 2008120839

**Decision**

The Education Audit Appeals Panel has adopted the attached Stipulation, Agreement and Proposed Decision of the parties as its Decision in the above-entitled matter.

Effective date: August 24, 2009.

IT IS SO ORDERED.

August 24, 2009  
Date

*Original Signed*  
Diana L. Ducay, Chairperson  
for Education Audit Appeals Panel

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9 EDUCATION AUDIT APPEALS PANEL  
STATE OF CALIFORNIA  
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11 Appeal of 2006-07 Audit Findings 2007-2,  
12 2007-4, 2007-5 and 2007-6 by

13 **ALL TRIBES AMERICAN INDIAN  
14 CHARTER SCHOOL,**

15 Appellant.  
16

EAAP 08-21  
OAH Case No. 2008120839

**STIPULATION, AGREEMENT AND  
17 PROPOSED DECISION**

18 Appellant All Tribes American Indian Charter School (School), Respondent John Chiang,  
19 the California State Controller's Officer (SCO), and Intervenor Department of Finance (DOF)  
20 agree to a complete resolution of Audit Findings 2007-2, 2007-4, 2007-5 and 2007-6 for the fiscal  
21 year 2006-07 as follows:  
22

23 **RECITALS**

24 A. The independent accounting firm of Wilkinson Hadley & Co. (Wilkinson  
25 Hadley) conducted an audit of the School for the 2006-07 fiscal year, the results of which were  
26 included in the audit report issued on approximately February 28, 2008.

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B. In Audit Finding 2007-2 Wilkinson Hadley determined:

“ . . . the school did not keep an absence verification log or record past October 2006. The School was reporting make-up attendance days for participation in an alternative after school program. In addition, absences recorded in the attendance system did not agree with teacher rosters. Upon further review of teacher rosters we noted several inconsistencies causing concern about the validity of rosters. . . Our review determined that attendance was based upon erroneous documentation.”

Wilkinson Hadley determined that the corrected reduction in Average Daily Attendance resulted in an estimated liability of \$71,680.

C. In Audit Findings 2007-4 and 2007-5 Wilkinson Hadley determined:

“ . . . the School was unable to provide contemporaneous documentation that the pupil’s reported for independent study attendance were engaged on those days reported in an educational activity or activities required of the students by the School.”

And that

“ . . . attendance for independent study students exceeded 20% of the School’s total Average Daily Attendance. The School did not have a multi-year funding determination, nor did they have a funding determination otherwise applicable to the year audited. As such, the School was not eligible for funding for any Average Daily Attendance generated through non-classroom based instruction.”

Wilkinson Hadley determined that the corrected reduction in Average Daily Attendance for Audit Findings 2007-4 and 2007-5 resulted in an estimated liability of \$65,785.

D. In Audit Finding 2007-6 Wilkinson Hadley determined that grades 9, 10, 11 and 12 were each short 1,590 minutes of annual required instructional minutes. For failing to meet the required instructional minutes a penalty of \$2,939 was assessed.

E. The SCO certified the Wilkinson Hadley Audit on August 28,2008.

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1 F. The School disputed the determinations set forth in Audit Findings 2007-2, 2007-4,  
2 2007-5, and 2007-6 and timely filed a formal appeal with the Education Audit Appeals Panel  
3 (EAAP) on October 27, 2008.

4 G. DOF timely moved to intervene in the instant EAAP proceeding, which motion was  
5 granted.  
6

### 7 AGREEMENT

8 For the purpose of completely settling and resolving the appeal of Audit Findings 2007-2,  
9 2007-4, 2007-5, and 2007-6, the School, SCO and DOF agree as set forth below:

10 1. This stipulation and proposed decision fully and completely resolves all claims,  
11 demands, appeals, obligations, or causes of action arising from or relating to Audit Finding 2007-  
12 2, 2007-4, 2007-5, and 2007-6 of the Wilkinson Hadley Audit of the School for the 2006-07 fiscal  
13 year. Accordingly, the School, DOF and SCO expressly waive any right or claim or right to  
14 assert or pursue thereafter any claim, demand, obligation, and/or cause of action relating to Audit  
15 Findings 2007-2, 2007-4, 2007-5, and 2007-6.  
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17 2. The questioned costs determined in Audit Findings 2007-2, 2007-4, 2007-5, and 2007-  
18 6 shall be settled by payment of \$85,000 by the School.

19 3. The School shall pay \$85,000 to the State of California in one payment due within  
20 seven (7) calendar days from approval of this Stipulation by EAAP.  
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22 4. This Stipulation and Proposed Decision is subject to and conditioned upon ratification  
23 by the School's Governance Council.

24 5. This Stipulation and Proposed Decision is subject to and conditioned upon approval  
25 and adoption by EAAP, pursuant to Education Code section 41344.1, subdivision (b). This  
26 Stipulation and Proposed Decision shall be submitted to EAAP for approval following ratification  
27 by the School's Governance Council.  
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1           6. This Stipulation and Proposed Decision may be executed in counterparts, each of  
2 which shall constitute an original. Facsimile signatures transmitted to other parties to this  
3 Stipulation and Proposed Decision are deemed to be the equivalent to original signatures on  
4 counterparts.  
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6  
7 Dated: July 6, 2009

*Original Signed*

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LISA A. CORR, ESQ.  
Middleton Young & Minney, LLP  
*Attorneys for Appellant*  
All Tribes American Indian Charter School

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10 Dated: July 16, 2009

*Original Signed*

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SHARLYN POTTER  
Governance Council Chairperson  
All Tribes American Indian Charter School

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13 Dated: June 29, 2009

*Original Signed*

\_\_\_\_\_  
GARY D. HORI, ESQ.  
Staff Counsel  
*Attorney for Respondent*  
John Chiang, State Controller

14  
15  
16 Dated: June 29, 2009

EDMUND G. BROWN JR.  
Attorney General of California  
LESLIE P. MCELROY  
Supervising Deputy Attorney General

*Original Signed*

\_\_\_\_\_  
TARA L. NEWMAN  
Deputy Attorney General  
*Attorneys for Intervenor*  
Department of Finance

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