

Ch. 3 Audits of California K-12 Local Education Agencies
Article 1. General Provisions

§ 19810. ~~Scope Annual Audit Guides.~~

~~These regulations constitute the audit guide, Standards and Procedures for Audits of California K-12 Local Educational Agencies, that shall be used in the performance of the audits required by Education Code Section 41020. These regulations do not provide a complete manual of procedures; auditors must exercise professional judgment.~~

~~The "Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting," published by the Education Audit Appeals Panel, is incorporated by this reference. The guide provides the audit steps, reporting requirements and other guidance, subject to auditor judgment where alternative or additional audit steps may be appropriate, for the required annual financial and compliance audits. Each annual guide and any applicable supplement are available on www.eaap.ca.gov/audit-guide, with paper or electronic copies available on request.~~

~~Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.~~

§ 19811. Qualifications of Auditors.

(a) Each audit shall be made by a certified public accountant or a public accountant, licensed by the California Board of Accountancy, and selected by the local education agency from a directory of certified public accountants and public accountants deemed by the Controller as qualified to conduct audits of local education agencies published by the Controller not later than December 31 of each year.

(b) Except as provided in subdivision (d) of Education Code Section 41320.1, it is unlawful for a public accounting firm to provide audit services to a local educational agency if the lead audit partner, or coordinating audit partner, having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local educational agency in each of the six previous fiscal years. The Education Audit Appeals Panel may waive this requirement if the panel finds that no otherwise eligible auditor is available to perform the audit.

Note: Authority cited: Section 14502.1, Education Code. Reference: Section 41020, Education Code.

§ 19812. ~~Auditing Standards.~~

~~Audits shall be conducted in accordance with auditing standards generally accepted in the United States of America, the standards set forth in Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of this chapter.~~

~~Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14503 and 41020, Education Code.~~

§ 19813. ~~Materiality Levels for Compliance Auditing.~~

~~Each program for which Average Daily Attendance is reported to the California Department of Education for apportionment purposes must be audited for compliance with specific requirements of law, as further set forth in this article, if the number of units of Average Daily Attendance reported is material as shown in the following table:~~

| Local Education Agency's Total Reported Average Daily Attendance (ADA) | Number of ADA Constituting Materiality for Each Program |
|--|---|
| 1—1,000 | 10 or more |
| 1,001—2,500 | 20 or more |
| 2,501—10,000 | 50 or more |
| More than 10,000 | 100 or more |

~~Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.~~

§ 19814. Auditor Judgment.

For each state compliance requirement, the auditor shall follow the procedures included in this audit guide, unless, in the exercise of his or her professional judgment, the auditor determines other procedures are more appropriate in particular circumstances.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14503 and 41020, Education Code.

Chapter 3. Audits of California K-12 Local Education Agencies

[Article 2. Audit Reports](#)

§ 19814.1. Applicability of Audit Procedures by Audit Year. [Renumbered]

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503, 41020 and 47634.2, Education Code.

§ 19815. Report Component.

The report of each audit performed pursuant to Education Code Section 41020 shall be as follows, except that the subelements of (d) may be in any order among themselves:

~~(a) Introductory Section.~~

~~(1) Table of Contents for the audit report.~~

~~(2) Other information as deemed appropriate by the auditee.~~

~~(b) Financial Section.~~

~~(1) Independent Auditor's Report.~~

~~(2) Management's Discussion and Analysis.~~

~~(3) Basic Financial Statements.~~

~~(4) Notes to the Basic Financial Statements.~~

~~(c) Required Supplementary Information.~~

~~Schedule of budgetary comparison data, by object for the 2009-10 fiscal year and following, for the General Fund and any major special revenue funds that have legally adopted annual budgets, disclosing excesses of expenditures over appropriations, if any, in individual funds presented in the budgetary comparison.~~

~~(d) Supplementary Information.~~

~~(1) Local Education Agency Organization Structure.~~

~~(2) Schedule of Average Daily Attendance.~~

~~(3) Schedule of Instructional Time.~~

~~(4) Schedule of Financial Trends and Analysis.~~

~~(5) Reconciliation of Annual Financial and Budget Report With Audited Financial Statements.~~

~~(6) Optionally, Combining Statements and Individual Fund Statements and Schedules.~~

~~(7) Schedule of Charter Schools.~~

~~(8) If required as set forth in the edition of OMB Circular A-133 applicable to the year being audited, Schedule of Expenditures of Federal Awards.~~

~~(9) Notes to Supplementary Information, if required.~~

~~(e) Other Independent Auditor's Reports.~~

~~(1) Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.~~

~~(2) Report on State Compliance.~~

~~(3) Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133, for fiscal years 2003-04 through 2012-13, if required as set forth in the edition of OMB Circular A-133 applicable to the year being audited.~~

~~(4) Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133, for fiscal years 2013-14 and following, if required as set forth in the edition of OMB Circular A-133 applicable to the year being audited.~~

~~(f) Findings and Recommendations.~~

~~(1) Schedule of Findings and Questioned Costs.~~

~~(2) Schedule of Prior Audit Findings.~~

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19816. Definitions and Enumerations.

The content of the audit report sections and subsections specified in Section 19815 is as described in the *Codification of Statements on Auditing Standards*, published by the American Institute of Certified Public Accountants, the *Codification of Governmental Accounting and Financial Reporting Standards* published by the Governmental Accounting Standards Board (GASB), or *Government Auditing Standards* published by the Comptroller General of the United States, in the respective editions applicable to the fiscal year being audited, or as defined in one of the following:

(a) "*Government Auditing Standards*" means the publication by the Comptroller General of the United States, United States Government Accountability Office, originally issued in 1972 and revised from time to time, commonly known as the "Yellow Book," that contains standards for audits of government organizations, programs, activities, and functions and that is referenced in Education Code Sections 14501, 14503, and 41020(b)(4).

(b) "*Local Education Agency Organization Structure*" means a description in the Supplementary Information section that sets forth the following information, at a minimum:

(1) The date on which the local education agency was established, and for charter schools the date and granting authority of each charter;

(2) The date and a general description of any change during the year audited in a school district's boundaries;

(3) The numbers by type of schools in the local education agency;

(4) The names, titles, terms, and term expiration dates of all members of the governing board;

(5) The names, with their titles, of the superintendent, chief business official, and deputy/associate/assistant superintendents.

(c) "OMB Circular A-133" means the publication, produced by the federal Office of Management and Budget and titled *Audits of States, Local Governments, and Non-Profit Organizations*, that sets forth standards for attaining consistency and uniformity in the audits of governments and organizations expending federal awards.

(d) "Reconciliation of Annual Financial and Budget Report with Audited Financial Statements" means a schedule that displays the differences between the ending fund balance(s) from the audited financial statements and the unaudited ending fund balance(s) from the annual financial and budget report for each fund in which a variance occurred.

(e) "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*" means, for fiscal year 2011-12 and following, the component of the Other Independent Auditor's Reports that specifies material instances of noncompliance, if any; defines control deficiency and significant deficiency and specifies the significant deficiencies disclosed by the audit; defines material weaknesses and specifies the material weaknesses, if any, that were disclosed by the audit; if no significant deficiencies were identified, states that no material weaknesses were noted; if significant deficiencies were noted, states that the auditor's consideration of internal control over financial reporting would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and a statement about whether the auditor believes any of the significant deficiencies noted were material weaknesses; includes a statement that additional matters were communicated to the auditee in a management letter, if that is the case; specifies all instances of fraud and illegal acts, if any, that were disclosed by the audit, unless clearly inconsequential; specifies material violations of provisions of contracts and grant agreements, if any; and specifies material abuse, if any, that was disclosed by the audit; in accordance with the financial reporting requirements specified in the *Codification of Statements on Auditing Standards*, and in *Government Auditing Standards*, as applicable to the year being audited.

(f) "Report on State Compliance" means, for fiscal year 2011-12 and following, the component of the Other Independent Auditor's Reports that specifically and separately addresses each of the state compliance requirements included in this audit guide that are applicable to the year audited, stating that compliance with the applicable compliance requirements is the responsibility of the auditee's management, and stating whether or not the auditee is in compliance with those requirements; includes a chart that displays each compliance requirement and the corresponding number of audit procedures applicable to the year audited and states that the audit procedures included in the audit guide for each compliance requirement were followed in the making of the audit, if that is the case, or, if not, what other procedures were followed; and includes an expression of opinion on whether the auditee complied, in all material respects, with applicable compliance requirements.

(1) The numbers of audit procedures for the compliance requirements included in this audit guide for audits of fiscal year 2012-13 are

Attendance Reporting, 6;

Teacher Certification and Misassignments, 3;

Kindergarten Continuance, 3;

Independent Study, 23;

Continuation Education, 10;

Instructional Time for school districts, 6; for county offices of education, 3;

Instructional Materials general requirements, 8;

Ratios of Administrative Employees to Teachers, 1;

Classroom Teacher Salaries, 1;

Early Retirement Incentive, 4;

Gann Limit Calculation, 1;

School Accountability Report Card, 3;

Juvenile Court Schools, 8;

Class Size Reduction (including in charter schools): general requirements, 7; Option One, 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;

After School Education and Safety Program: general requirements, 4; after school, 5; before school, 6;

Contemporaneous Records of Attendance, for charter schools, 1;

Mode of Instruction, for charter schools, 1;

Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;

Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;

Annual Instructional Minutes – Classroom Based, for charter schools, 4;

(2) The numbers of audit procedures for the compliance requirements included in this audit guide for audits of fiscal year 2013-14 are

Attendance Reporting, 6;

Teacher Certification and Misassignments, 3;

Kindergarten Continuance, 3;

Independent Study, 23;

Continuation Education, 10;
 Instructional Time for school districts, 10;
 Instructional Materials general requirements, 8;
 Ratios of Administrative Employees to Teachers, 1;
 Classroom Teacher Salaries, 1;
 Early Retirement Incentive, 4;
 Gann Limit Calculation, 1;
 School Accountability Report Card, 3;
 Juvenile Court Schools, 8;
 Local Control Funding Formula Certification, 1;
 California Clean Energy Jobs Act, 3;
 After School Education and Safety Program: general requirements, 4; after school, 5; before school, 6;
 Education Protection Account Funds, 1;
 Common Core Implementation Funds, 3;
 Unduplicated Local Control Funding Formula Pupil Counts, 3;
 Contemporaneous Records of Attendance, for charter schools, 8;
 Mode of Instruction, for charter schools, 1;
 Nonclassroom Based Instruction/Independent Study, for charter schools, 15;
 Determination of Funding for Nonclassroom Based Instruction, for charter schools, 3;
 Annual Instructional Minutes—Classroom Based, for charter schools, 4;
 Charter School Facility Grant Program, 1.
 Proper Expenditure of Education Protection Account Funds, 1.

(g)(1) "Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133" means, for fiscal years 2003-04 through 2012-13, the component of the Other Independent Auditor's Reports that states whether the auditee has complied with federal laws, regulations, and the provisions of federal contracts or grant agreements and has established and maintained effective internal control over compliance with the requirements for major federal programs.

(2) "Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133," means for fiscal years 2013-14 and following, the component of the Other Independent Auditor's Reports that states that compliance with the applicable compliance requirements is the responsibility of the auditee's management; includes an expression of opinion on whether the auditee complied, in all material respects, with federal laws, regulations, and the provisions of federal contracts or grant agreements; and opines whether the auditee has established and maintained effective internal control over compliance with the requirements for major federal programs.

(h) "Schedule of Average Daily Attendance" means, for fiscal year 2011-12 and following, the schedule in the Supplementary Information section that displays Average Daily Attendance data for both the Second Period and Annual reports, by grade span and program as appropriate; and separately for each charter school, shows the total Average Daily Attendance and the Average Daily Attendance generated through classroom-based instruction by grade span, as appropriate; and if there are any Average Daily Attendance adjustments due to audit findings, displays additional columns for the Second Period and Annual reports reflecting the final Average Daily Attendance after audit finding adjustments.

(i) "Schedule of Charter Schools" means the schedule in the Supplementary Information section that lists all charter schools chartered by the school district or county office of education, and displays information for each charter school on whether or not the charter school is included in the school district or county office of education audit.

(j) "Schedule of Financial Trends and Analysis" means, for fiscal year 2004-05 and each fiscal year thereafter, the schedule in the Supplementary Information section that displays information regarding the auditee's financial position and going concern status, in the form of actual financial and attendance figures for at least the most recent three-year period (ending with the audit year), plus the current year's budget, for the following items: General Fund financial activity, including total revenue, expenditures, and other sources and uses; General Fund balance; available reserve balances (funds designated for economic uncertainty, and any other remaining undesignated fund balance) within the General Fund or Special Reserve Fund; available reserve balances expressed as a percentage of total General Fund outgo (expenditures, transfers out, and other uses), including a comparison to the applicable state recommended available reserve percentage; total long term debt; and elementary and secondary Second Principal Average Daily Attendance; and, when the auditee's percentage of available reserves to total General Fund outgo is below the state recommended percentage, management's plans for increasing the auditee's available reserve percentage.

(k) "Schedule of Findings and Questioned Costs" means that part of the Findings and Recommendations section that presents all audit year findings, and a copy of each management letter issued, if any, with each finding assigned the appropriate code from among the following: 10000 Attendance, 20000 Inventory of Equipment, 30000 Internal Control, 40000 State Compliance, 41000 CalSTRS, 50000 Federal Compliance, 60000 Miscellaneous, 61000 Classroom Teacher Salaries, 70000 Instructional Materials, 71000 Teacher Misassignments, 72000 School Accountability Report Card, and includes the following elements:

(1) criteria

(2) condition

(3) effect

(4) cause

(5) a statement of the number of units of Average Daily Attendance, by grade span, if any, that were inappropriately reported for apportionment, and an estimate of their dollar value; and a statement consistent with its basis of funding, for any other inappropriately reported claim such as number of unduplicated local control funding formula counts or the dollar amount of inappropriate expenditures for a restricted program

(6) a recommendation for the resolution of the finding

(7) a corrective action plan prepared by the auditee that describes in specific terms the actions planned or taken to correct the problem, or a statement from the auditee that the corrective action recommended by the auditor is not necessary or appropriate and giving the specific reasons why, if that is the case, and a statement that the corrective action plan was not available if no corrective action plan was submitted before the audit was prepared.

(l) "Schedule of Instructional Time" means a schedule in the Supplementary Information section that displays, for school districts, including basic aid districts, data that show whether the district complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code; showing by grade level:

(1) For districts that met or exceeded their local control funding formula target or districts that participated in Longer Day funding, the number(s) of instructional minutes specified in Education Code Section 46207(a) or 46201(b) as applicable, and the district's required instructional minutes set forth in subparagraph (a)(6), (a)(7)(A)(1) or (a)(7)(B)(1) of Section 19824 as applicable;

(2) For districts that did not meet or exceed their local control funding formula target and did not participate in Longer Day funding, the number(s) of instructional minutes the district offered in the 1982-83 year, and the district's required instructional minutes as calculated in subparagraph (a)(7)(C)(1) or subparagraph (a)(7)(D)(1) of Section 19824 as applicable;

(3) For all districts, the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level;

(4) For all districts, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack year-round calendars; and whether the district complied with the reduced instructional minutes and days provisions. State in a note to the schedule whether the district participated in Longer Day incentives and whether the district met or exceeded its target funding.

(5) For charter schools, data that show whether the charter school complied with Education Code Sections 47612 and 47612.5; showing by grade level the number(s) of instructional minutes specified in Education Code Section 47612.5; the charter school's required number of instructional minutes as reduced by Education Code Section 46201.2; the instructional minutes offered during the year audited showing the school location with the lowest number of minutes offered at each grade level, the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the charter school complied with the reduced instructional minutes and days provisions.

(m) "Schedule of Prior Audit Findings" means that part of the Findings and Recommendations section that presents the status of actions taken by the auditee on each of the findings and recommendations reported in the prior year audit, and includes as current year findings and recommendations those prior year findings that have not been resolved.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503, 41020 and 47634.2, Education Code.

§ 19816.1. Applicability of Audit Procedures by Audit Year.

(a) Of the compliance requirements set forth in Article 3:

(1) Sections 19817.2 through 19820, 19824, 19828.4 through 19831, 19837.3, and 19840 are applicable to fiscal year 2012-13 audits.

(2) Sections 19817.2 through 19820, 19824, 19828.4 through 19829.5, 19830.1, 19831, 19837.3, and 19840 are applicable to fiscal year 2013-14 audits.

(b) Of the compliance requirements set forth in Article 3.1,

(1) Sections 19845.2 and 19846.1 are applicable to fiscal year 2012-13 audits.

(2) Sections 19843, 19844, and 19846.1 through 19849 are applicable to fiscal year 2013-14 audits.

(c) Of the compliance requirements set forth in Article 4,

(1) Sections 19850, 19851, and 19852 through 19854 are applicable to fiscal year 2012-13 audits.

(2) Sections 19850, 19851, and 19852 through 19855 are applicable to fiscal year 2013-14 audits.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503, 41020 and 47634.2, Education Code.

Chapter 3. Audits of California K-12 Local Education Agencies

[Article 3. State Compliance Procedures: Local Education Agencies Other Than Charter Schools](#)

§ 19817. Regular and Special Day Classes.

For fiscal year 2003-04 only, perform the following audit steps:

(a) Determine whether the Second Principal and Annual reports of attendance submitted to the California Department of Education reconcile to the supporting documents by verifying the local education agency's Average Daily Attendance calculations for each reporting line item, including the informational line items. Trace the Average Daily Attendance numbers from the Second Principal and Annual reports of attendance to the local education agency's summaries.

(b) Verify that the monthly site summaries used for summarizing attendance provide accurate information, by selecting a representative sample of schools and performing the following procedures (include special day classes in this sample; other special programs are identified separately in subsequent sections of this audit guide):

(1) Reconcile the monthly totals (days of apportionment attendance) on the school's attendance summary to the summary maintained by the local education agency for the Second Principal and the Annual attendance reports.

(2) Select at least one test month in the Second Principal or Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the school's attendance summary.

(3) Select a representative sample of classes (teachers) and trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.

(c) Select a sample of absences and compare to documentation supporting Average Daily Attendance reported to the California Department of Education to verify that absences were not included in Average Daily Attendance. The documentation maintained by the local education agency with regard to its absences may be in the form of notes, logs, or other records, depending on the board-adopted policy concerning verification of absences.

(d) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

(e) For each teacher selected pursuant to subparagraph (b)(3) of this section, test to determine whether the teacher possessed a valid certification document. If any teacher did not possess a valid certification document, calculate the penalty or penalties pursuant to the provisions of Education Code Section 45037 and include the actual calculation in an audit finding in the Findings and Recommendations section.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19817.1. Regular and Special Day Classes.

For fiscal years 2004-05 through 2010-11, perform the following audit steps:

(a) Determine whether the Second Principal and Annual reports of attendance submitted to the California Department of Education reconcile to the supporting documents by verifying the local education agency's Average Daily Attendance calculations for each reporting line item, including the informational line items. Trace the Average Daily Attendance numbers from the Second Principal and Annual reports of attendance to the local education agency's summaries.

(b) Verify that the monthly site summaries used for summarizing attendance provide accurate information, by selecting a representative sample of schools and performing the following procedures (include special day classes in this sample; other special programs are identified separately in subsequent sections of this audit guide):

(1) Reconcile the monthly totals (days of apportionment attendance) on the school's attendance summary to the summary maintained by the local education agency for the Second Principal and the Annual attendance reports.

(2) Select at least one test month in the Second Principal or Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the school's attendance summary.

(3) Select a representative sample of classes (teachers) and trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.

(c) Select a sample of absences and compare to documentation supporting Average Daily Attendance reported to the California Department of Education to verify that absences were not included in Average Daily Attendance. The documentation maintained by the local education agency with regard to its absences may be in the form of notes, logs, or other records, depending on the board-adopted policy concerning verification of absences.

(d) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

(e) For each teacher selected pursuant to subparagraph (b)(3) of this section, test to determine whether the teacher possessed a valid certification document. If any teacher did not possess a valid certification document, calculate the penalty or penalties

pursuant to the provisions of Education Code Section 45037 and include the actual calculation in an audit finding in the Findings and Recommendations section.

(f)(1) For each teacher selected pursuant to subparagraph (b)(3) of this section, test to determine whether the teacher was assigned to teach in a position

(A) consistent with the authorization of his or her certification document, or

(B) otherwise authorized by law pursuant to

1. a governing board resolution in conformance with the provisions of any of subdivision (b) of Education Code Section 44256, Section 44258.2, Section 44258.3, or Section 44263, or

2. approval of a committee on assignments pursuant to the provisions of subdivision (c) or (d) of Section 44258.7.

(2) If any teacher selected pursuant to subparagraph (b)(3) of this section was assigned to teach a class in which more than 20 percent of the pupils were English learners, determine whether the teacher was authorized to instruct limited-English proficient pupils pursuant to the provisions of Education Code Section 44253.3, 44253.4, or 44253.10.

(3) If any teacher was assigned to teach in a position for which he or she was not authorized, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19817.2. Attendance Reporting.

For fiscal years 2011-12 and following, perform the following audit steps:

(a) Determine whether the Second Principal and Annual reports of attendance submitted to the California Department of Education reconcile to the supporting documents by verifying the local education agency's Average Daily Attendance calculations for each reporting line item, including the informational line items, subject to the materiality levels as described in Section 19813.

(b) Trace the Average Daily Attendance numbers from the Second Principal and Annual reports of attendance to the local education agency's summaries.

(c) Verify that the monthly site summaries used for summarizing attendance provide accurate information, by selecting a representative sample of schools and performing the following procedures (exclude the programs identified separately in subsequent sections of this audit guide):

(1) Reconcile the monthly totals (days of apportionment attendance) on the school's attendance summary to the summary maintained by the local education agency for the Second Principal and the Annual attendance reports.

(2) Select at least one test month in the Second Principal or Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the school's attendance summary.

(3) Select a representative sample of classes (teachers) and trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.

(d) Select a sample of absences and compare to documentation supporting Average Daily Attendance reported to the California Department of Education to verify that absences were not included in Average Daily Attendance. The documentation maintained by the local education agency with regard to its absences may be in the form of notes, logs, or other records, depending on the board-adopted policy concerning verification of absences.

(e) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19817.5. Teacher Certification and Misassignments.

For fiscal year 2011-12 and following, perform the following audit steps:

(a) For each teacher selected pursuant to subparagraph (c)(3) of Section 19817.2, test to determine whether the teacher possessed a valid certification document.

(b) If any teacher did not possess a valid certification document, calculate the penalty or penalties pursuant to the provisions of Education Code Section 45037 and include the actual calculation in an audit finding in the Findings and Recommendations section.

(c) For each teacher selected pursuant to subparagraph (c)(3) of Section 19817.2, test to determine whether the teacher was assigned to teach in a position

(1) consistent with the authorization of his or her certification document, or

(2) otherwise authorized by law pursuant to

(A) a governing board resolution in conformance with the provisions of any of subdivision (b) of Education Code Section 44256, Section 44258.2, Section 44258.3, or Section 44263, or

(B) approval of a committee on assignments pursuant to the provisions of subdivision (c) or (d) of Education Code Section 44258.7.

(d) If any teacher selected pursuant to subparagraph (c)(3) of Section 19817.2 was assigned to teach a class in which more than 20 percent of the pupils were English learners, determine whether the teacher was authorized to instruct limited-English-proficient pupils pursuant to the provisions of Education Code Section 44253.3, 44253.4, or 44253.10.

(e) If any teacher was assigned to teach in a position for which he or she was not authorized, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19818. Kindergarten Continuance.

(a) Obtain a list of pupils enrolled in kindergarten for the year audited and kindergarten or transitional kindergarten the prior year. Compare the lists and identify those kindergarten pupils, if any, who are on both lists.

(b) Select a representative sample of kindergarten pupils identified on both lists. Perform the following procedures.

(c) Review the record of each pupil identified on both lists to determine whether the pupil continued in kindergarten after completing one school year of kindergarten or transitional kindergarten. For a pupil who begins kindergarten mid-year, one school year of kindergarten is completed on the last day prior to the anniversary of the pupil's first day of kindergarten.

(d) Except for pupils enrolled in transitional kindergarten in the prior year in accordance with Education Code Section 48000(c), verify that the local education agency has a signed parental agreement to continue form, approved in form and content by the California Department of Education, for each such pupil.

(e) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19819. Independent Study.

If the local education agency reported Average Daily Attendance generated through independent study, perform the following procedures

(a) At the agency level:

(1) Reconcile the local education agency's independent study attendance records to Average Daily Attendance generated through full-time independent study reported to the California Department of Education.

(2) From the independent study attendance records, select a representative sample of pupils for whom Average Daily Attendance generated through independent study was claimed, including pupils on intermittent or "short term" independent study if the local education agency offered that option, and confirm that every pupil in the sample is identified in the written records of the district or county board by grade level, by program placement, and by the school in which he or she is enrolled.

(3) If, pursuant to the foregoing audit procedure, any pupils are found that were not identified in the written records of the district or county board by any one or more of grade level, program placement, and the school in which he or she was enrolled, calculate and state in a finding the number(s) of units of Average Daily Attendance, by grade span, that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

(4) Verify the local education agency's calculation, made pursuant to the provisions of subdivision (a) of Education Code Section 51745.6, of ineligible Average Daily Attendance, if any, generated through full-time independent study by pupils 18 years of age or less.

(5) Interview administrative personnel and school counselors of the local education agency to determine if the local education agency had policies and procedures to ensure that any pupil terminating an independent study agreement was permitted to immediately recommence classroom study.

(6) Interview local education agency administrative personnel as well as a sample of independent study teachers and review written agreements to determine whether it was the local education agency's policy or practice to provide independent study pupils or their parents/guardians with monetary funding or any other things of value such as equipment or paid private instruction. If so,

determine whether classroom pupils or their parents/guardians had the same access to funding or things of value. Read program materials provided to all parents/guardians to determine that opportunities were equal and that pupils engaged in independent study were neither offered nor given incentives or special benefits.

(b) Select a sample of schools that is representative of the local education agency and sufficient in size to allow the auditor to draw a reasonable conclusion with respect to the local education agency's compliance with independent study requirements. Verify that the monthly site summaries used for summarizing attendance provide accurate information by performing the following procedures:

(1) At each school, examine the attendance accounting records to verify that the attendance of pupils or adult education students or both while engaged in independent study was maintained on separate registers or the local education agency had another mechanism in place to track Average Daily Attendance generated through independent study separately from other Average Daily Attendance.

(2) Determine the total number of days of attendance reported for each sampled school that resulted from attendance by pupils or adult education students or both while engaged in independent study. Reconcile the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the local education agency for the Second Principal and the Annual attendance reports.

(3) Select a test month in the Second Principal or Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace totals to the school's attendance summary.

(4) Verify that a certificated employee of the local education agency coordinated, evaluated, and provided general supervision, as that term is defined in Section 11700(b), of each pupil's or adult education student's independent study, as required by the provisions of subdivision (a) of Education Code Section 51747.5.

(5) Select a representative sample of teachers. Verify the mathematical accuracy of the teachers' attendance records of pupil or adult education student attendance. Trace the monthly totals from the monthly report to the attendance records.

(6) If 100 percent apportionment attendance was recorded for all independent study pupils or adult education students or both, ensure that the teacher did not accrue more days of apportionment credit for any assignment than there were school days in that assignment ("banking"); or accrue days of attendance for work submitted subsequent to the specified due date for the assignment ("make-up").

(7) For programs in which hourly attendance accounting is not required pursuant to Section 406, verify that attendance credit was recorded in whole days based on the supervising teacher's personal review, evaluation, and assignment of time value to the pupil's or adult education student's work product, or the supervising teacher's review of the evaluation and assignment of time value made by another certificated teacher.

(c) From the attendance records, select a representative sample of pupils/adult education students for whom Average Daily Attendance generated through independent study was claimed, including pupils on intermittent ("short term") independent study if the local education agency offered that option, and perform the following procedures:

(1) Verify that no pupil was enrolled in the local education agency pursuant to subdivision (b) of Education Code Section 48204 while engaged in full-time independent study.

(2) Determine each selected pupil's or adult education student's county of residence at the time of commencing independent study and verify that it is the county in which the apportionment claim is reported or a contiguous county within California.

(3) Determine whether mailing addresses or other evidence of residency changed during the time the pupils/adult education students were in independent study and, if so, whether each pupil or adult education student remained resident of the same or a contiguous county within California.

(4) Verify that a total of not more than one day of attendance generated through independent study was recorded for each pupil, including pupils enrolled in more than one program, for any calendar day on which school was in session.

(5) Verify that a written agreement exists for each pupil/adult education student selected.

(6) Verify that every pupil whose independent study attendance was claimed for apportionment was participating under an agreement for a minimum of five consecutive school days.

(7) Verify that every written agreement contained all the required elements:

(A) The manner, time, frequency, and place for submitting a pupil's or adult education student's assignments and for reporting his or her progress.

(B) The objectives and methods of study (pupil/adult education student activities selected by the supervising teacher as the means to reach the educational objectives set forth in the written agreement) for the pupil's or adult education student's work.

(C) The methods utilized to evaluate that work (any specified procedure through which a certificated teacher personally assesses the extent to which achievement of the pupils/adult education students meets the objectives set forth in the written assignment).

(D) The specific resources, including materials and personnel, to be made available to the pupils/adult education students (resources reasonably necessary to the achievement of the objectives in the written agreement, not to exclude resources normally available to all pupils/adult education students on the same terms as the terms on which they are normally available to all pupils/adult education students).

(E) A statement of the following two policies adopted pursuant to subdivisions (a) and (b) of Education Code Section 51747:

1. The maximum length of time allowed between the assignment and the completion of a pupil's or adult education student's assigned work; and
2. The number of assignments a pupil or adult education student may miss before there must be an evaluation of whether it is in the pupil's or adult education student's best interests to continue in independent study.

(F) The duration of the independent study agreement, including the beginning and ending dates for the pupil's or adult education student's participation in independent study under the agreement, with no agreement being for a period longer than one semester, or one half year for a school on a year-round calendar.

(G) A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil/adult education student upon completion.

(H) A statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate. In the case of a pupil who is referred or assigned to any school, class, or program pursuant to Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the pupil through independent study only if the pupil is offered the alternative of classroom instruction.

(I) Signatures, affixed prior to the commencement of independent study, by

1. the pupil or adult education student;
2. the pupil's parent, legal guardian, or caregiver as that term is used in Family Code Section 6550 and following, if the pupil is less than 18 years of age;
3. the certificated employee who has been designated as having responsibility for the general supervision of independent study; and
4. all other persons, if any, who had direct responsibility for providing assistance to the pupil or adult education student.

(8) Verify that no days of attendance were reported for dates prior to the signing of the agreement by all parties.

(9) Trace each pupil's or adult education student's attendance from the attendance records to the teacher's register, record of the pupil's or adult education student's work completed, and the corresponding work assignment record. Verify that evaluated pupil/adult education student work samples, bearing signed or initialed and dated notations by the supervising teacher indicating that he or she personally evaluated the work, or that he or she personally reviewed the evaluations made by another certificated teacher, have been retained in the file.

(10) Verify that the pupil/adult education student work product samples are related to the assignment pursuant to which the work was undertaken and reflect the curriculum adopted by the local governing board and not an alternative curriculum.

(11) Review records and other relevant documentation to verify that each pupil's choice to commence or to continue in independent study was entirely voluntary and uncoerced.

(d) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19820. Continuation Education.

Verify that the monthly site attendance summaries provide accurate information by performing the following procedures:

- (a) Reconcile the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the district for the Second Principal and the Annual attendance reports.
- (b) Select a test month in the Second Principal attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the site's attendance summary.
- (c) Select a representative sample of classes (teachers). Trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.
- (d) Select a representative sample of pupils and perform the following procedures:
 - (1) Trace each pupil's attendance in the weekly attendance records to the teacher's attendance register or other approved record.
 - (2) Verify that hourly attendance accounting was used.

(3) Verify that attendance was not credited for more than the scheduled class time.

(e) Review weekly attendance records to verify that the district did not claim more than 15 hours per week, or a proportionally reduced number of hours per week when there were fewer than five school days.

(f) Select a representative sample of continuation pupils enrolled in work experience education.

(1) Review the weekly attendance reports and attendance registers to verify that each pupil actually attended, as set forth in Education Code Section 48400, four 60-minute hours in each week in which he/she generated additional hours of work experience apportionment attendance credit.

(2) Verify that the pupils received at least one instructional period per week of classroom work experience instruction or counseling as required by Education Code Section 51760.3(b).

(3) Verify that not more than 10 percent of each continuation high school's Average Daily Attendance at Second Principal (exclusive of Average Daily Attendance for a pupil who was pregnant or was a parent and the primary caregiver for one or more of his or her children) was generated through independent study as provided in Education Code Section 51745(b).

(g) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19821. Adult Education.

Verify that the monthly site attendance summaries provide accurate information by performing the following procedures:

(a) Reconcile the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the district for the Annual attendance reports.

(b) Select a test month in the Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the site's attendance summary.

(c) Select a representative sample of classes (teachers) for both exclusively adult education students and concurrently enrolled K-12 pupils (if any). Trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.

(d) Verify that hourly attendance accounting was used.

(e) Verify that attendance was not credited for more than the scheduled class time.

(f) Verify that the district used individual teacher-certified records of the minutes of each pupil's or student's actual attendance for classes (sometimes termed ad hoc or laboratory class settings) that provided more total hours of class time than the minimum required to be attended for pupils or students to receive full credit for the class.

(g) Select a representative sample of K-12 pupils concurrently enrolled in adult education, if any. For each pupil selected, determine, from the adult school files, the K-12 program/school site in which the pupil was enrolled. Review the pupil's K-12 program/class schedule and/or transcript located at the K-12 program/school site and verify that the pupil was concurrently enrolled in adult education courses that supplemented and enriched, and did not supplant, the regular course offerings required to complete the curriculum for the K-12 program in which the pupil was enrolled.

(h) Review each concurrently enrolled pupil's file to ensure there is documentation of a counseling session—a communication whether by phone or in person which involved the pupil, a certificated representative of the high school, and the pupil's parent, guardian, or caretaker—that met the requirements of Education Code Section 52500.1(b).

(i) Review the district's records to ensure that it submitted to the California Department of Education for approval, in advance, a list of all courses provided.

(j) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19821.5. California Work Opportunity and Responsibility to Kids (CalWORKs).

(a) Determine whether the school district or regional occupational center or program (ROC/P) received funding for serving CalWORKs eligible students. If so, perform the following procedures:

(b) Determine whether the school district or regional occupational center or program

- (1) Met the terms of the interagency agreement between the California Department of Education and the State Department of Social Services pursuant to Provision 2 of Budget Act Item 6110-156-0001 (Statutes of 2009, Chapter 1 (SBX3-1)).
- (2) Fully claimed its respective adult education or regional occupational centers or programs Average Daily Attendance cap for the audit year.
- (3) Claimed the maximum allowable funds available under the interagency agreement pursuant to Provision 2 of Budget Act Item 6110-156-0001 (Statutes of 2009, Chapter 1 (SBX3-1)).
- (c) If the school district or regional occupational center or program did not meet the requirements set forth in procedures 1 through 3 of subparagraph (b) of this section, the school district or regional occupational center or program was not eligible to claim funds for services provided to CalWORKs eligible students. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of funding received for serving CalWORKs eligible students as disallowed.
- (d) Verify that the funds received by the school district or ROC/P for serving CalWORKs eligible students
- (1) were used only for educational activities that were designed to increase self-sufficiency, job training, and work; and
- (2) were used to supplement and not supplant existing funds and services for CalWORKs eligible students.
- (e) If the school district or regional occupational center or program was not in compliance with either of the requirements set forth in audit procedures 1 or 2 of subparagraph (d) of this section, include a finding in the Findings and Recommendations section of the audit report showing the amount of inappropriately expended funds as disallowed.
- Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19822. Regional Occupational Centers and Programs.

Verify that the monthly site attendance summaries provide accurate information by performing the following procedures:

- (a) Reconcile the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the local education agency for the Annual attendance reports.
- (b) Select a test month in the Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the site's attendance summary.
- (c) Select a representative sample of classes (teachers), and trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.
- (d) Verify that hourly attendance accounting was used.
- (e) Verify that attendance was not credited for more than the scheduled class time.
- (f) Verify that the local education agency used individual teacher-certified records of the minutes of each pupil's or student's actual attendance for classes (sometimes termed laboratory class, community classroom, workplace learning, or cooperative education setting) that were not conducted in a fashion that required all pupils/students to be present at a set time or in which more hours of class time were available than the minimum number of hours pupils/students had to attend to receive full credit.
- (g) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19823. Instructional Time and Staff Development Reform Program.

Review the site calendars and perform the following procedures:

- (a) Verify that the number of Instructional Time and Staff Development Reform Program staff development days claimed did not exceed three for each certificated classroom teacher and one for each classified classroom instructional aide or certificated teaching assistant.
- (b) Verify that each Instructional Time and Staff Development Reform Program staff development day was intended to provide training in one or more of the following: instructional methods, including teaching strategies, classroom management and other training designed to improve pupil performance, conflict resolution, and academic content in the core curriculum areas that are provided by the local education agency. Staff development days held on or after January 1, 2004, additionally may be intended to provide training in intolerance and hatred prevention.
- (c) Verify that contemporaneous records support the number of Instructional Time and Staff Development Reform Program staff development days funded.

- (d) Verify that no Instructional Time and Staff Development Reform Program staff development days were counted as instructional days for apportionment purposes.
- (e) Verify that Instructional Time and Staff Development Reform Program staff development was not conducted after school on any minimum day of which parents or guardians were notified pursuant to Education Code Section 48980(c), except as provided for staff in multitrack year round schools.
- (f) Verify that each staff development day was at least as long as the full-time instructional workday for certificated or classified instructional employees.
- (g) Verify that each participant was present for a full-time instructional work day or the aggregate equivalent.
- (h) If any ineligible Instructional Time and Staff Development Reform Program staff development days are identified through the foregoing procedures, prepare a schedule of the number of days audited and the number of ineligible days identified. Calculate the disallowance and estimate the dollar value, and include the schedule in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19824. Instructional Time.

(a) School districts: in accordance with subdivision (b) of Education Code Section 46201.2 and subdivision (c) of Education Code Section 46207 and subdivision (b) of Education Code Section 46208, for fiscal years 2013-14 and 2014-15, perform the following procedures:

- (1) Select a sample of schools that is representative of the district and sufficient in size to allow the auditor to draw a reasonable conclusion with respect to the district's compliance with instructional time requirements. Review the school attendance calendar and bell (class) schedules of the sampled schools. Ascertain whether any individual days are shorter than the usual length, by grade level, in each school in the sample. Compare the instructional minutes from each school site's bell (class) schedule to total instructional minutes computed by the business office.
- (2) Determine, by grade level, the total number of days in each sampled school's attendance calendar that were of at least the minimum length required, pursuant to Education Code sections 46112, 46113, 46114, 46115, 46117, and 46119, for elementary schools, or sections 46141, and 46142, for junior high schools and high schools. Compare the total qualifying days by grade level for each school in the sample to the standards set forth in Education Code section 41420 or 37670, as applicable, as reduced by subdivision (b) of Education Code Section 46201.2 to 170 days for schools on a traditional calendar, or to 158 days for multitrack year round schools.
- (3) If all regular day schools in the sample have fewer than the applicable minimum number of days as set forth in subparagraph (a)(2) of this section, determine whether the same is true for all the regular day schools of the district.
- (4) If all regular day schools have fewer than the applicable minimum number of days, the district is subject to the penalty provided in subdivision (a) of Education Code Section 41420. Include a statement of that fact and the calculation and amount of the penalty in the Findings and Recommendations section of the audit report.
- (5) If the district is not subject to the penalty provided in subdivision (a) of Education Code Section 41420 but is subject to one or more penalties as provided in subdivision (b) of Education Code Section 41420, prepare a separate schedule for each school in the district that was not in compliance showing the number of additional days the school would have had to maintain operations to meet the 170 day requirement, or the 158 day requirement if the school was operated on a multitrack year round schedule. Calculate the penalty or penalties. Include the schedule(s), the calculation(s), and amount(s) of the penalty or penalties in a finding in the Findings and Recommendations section of the audit report.
- (6) If the district met or exceeded its local control funding formula target as set forth in Education Code Section 46207(a):
 - (A) Determine the required amount of instructional time by reducing the amount of time by grade level specified in Education Code Section 46207 by the result of dividing the time for each grade level by 180 and multiplying by 5; and
 - (B) Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in subparagraph (6)(A) of this section.
- (7) If the district did not meet its local control funding formula computed pursuant to Education Code Section 42238.02, determine whether the district participated in Longer Day incentive funding provided for in Education Code Section 46201, or Longer Year incentive funding provided for in Education Code Section 46200(a), as those two sections read on January 1, 2013:
 - (A) For each district that participated in Longer Day and Longer Year incentive funding [i.e., every district except those listed in B, C, or D below]:

1. Determine the required amount of instructional time by reducing the amount of time by grade level specified in Education Code Section 46201(b) by the result of dividing the time for each grade level by 180 and multiplying by 5.

2. Compare the amount of time offered for each grade level in each school in the sample during the year being audited to the required amount of instructional time as determined in the preceding sentence.

(B) For districts that participated in Longer Day but did not participate in Longer Year incentive funding [McKittrick Elementary (15-63651), Janesville Union Elementary (18-64105), Richmond Union Elementary (18-64170), Shaffer Union Elementary (18-64188), Big Valley Joint Unified (18-64089), Castle Rock Union Elementary (45-69922), and Indian Springs Elementary (45-70037)]:

1. Determine the required amount of instructional time by reducing the amount of time by grade level specified in Education Code Section 46201(b) by the result of dividing the time for each grade level by 175 and multiplying by 5.

2. Compare the amount of time offered for each grade level in each school in the sample during the year being audited to the required amount of instructional time as determined in the preceding sentence.

(C) For districts that did not participate in Longer Day but did participate in Longer Year incentive funding [Mountain House Elementary (01-61218), Canyon Elementary (07-61671), Baker Elementary (36-73858), Delphic Elementary (47-70227)]:

1. Determine the required amount of instructional time by reducing the amount of time by grade level offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 180 and multiplying by 5.

2. Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in preceding sentence

(D) For districts that did not participate in either Longer Day or Longer Year incentive funding [Seiad Elementary (47-70458) and Willow Creek (47-70490)]:

1. Determine the required amount of instructional time by reducing the amount of time by grade level offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 175 and multiplying by 5.

2. Compare the amount of time offered for each grade level in each school in the sample during the year being audited to the required amount of instructional time as determined in the preceding sentence.

(8) Determine whether the district offered optional classes to satisfy incentive funding requirements. If enrollment in optional classes is low, review the district's documentation of class offerings to ensure that the district has acted effectively to comply with the law. Practices that are not consistent with effectively offering additional instructional time may include, but are not limited to, offering only a small number of optional courses that are appropriate only for limited numbers of pupils, and scheduling optional courses such that pupils may take them only by giving up their lunch period or by attending school outside the schedule of district-provided bus service.

(9) If any schools were not in compliance with the instructional minutes requirements as calculated pursuant to subparagraph (a)(6) or (a)(7) of this section as applicable, prepare a separate schedule for each school showing only those grade levels that were not in compliance and calculate the penalty or penalties pursuant to Education Code Section 46201, 46202, or 46207. Include the schedule(s), the calculation, and the amount of the penalty or penalties in a finding in the Findings and Recommendations section of the audit report.

(10) For any school district that either met or exceeded its local control funding formula target or participated in Longer Year incentive funding, and that had any schools that offered less than 175 days, prepare a separate schedule for each school showing only those grade levels that were not in compliance and calculate the penalty or penalties pursuant to Education Code Section 46200 or 46208. Include the schedule(s), the calculation, and the amount of the penalty or penalties in a finding in the Findings and Recommendations section of the audit report.

(b) County offices of education: omitted for fiscal year 2013-14.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19824.1. Instructional Time.

For fiscal year 2011-12 only, perform the following procedures:

(a) School districts:

(1) Select a sample of schools that is representative of the district and sufficient in size to allow the auditor to draw a reasonable conclusion with respect to the district's compliance with instructional time requirements. Review the school attendance calendar and bell (class) schedules of the sampled schools. Ascertain whether any individual days are shorter than the usual length, by grade level, in that school. Compare the instructional minutes from each school site's bell (class) schedule to total instructional minutes computed by the business office.

(2) Determine, by grade level, the total number of days in each sampled school's attendance calendar that were of at least the minimum length required, pursuant to Education Code sections 46112, 46113, 46114, 46115, 46117, and 46119, for elementary schools, or sections 46141, and 46142, for junior high schools and high schools. Compare the total qualifying days by grade level for each sampled school to the standards set forth in Education Code section 41420 or 37670, as applicable, as reduced by the provisions of Education Code sections 46201.2(a) and 46201.3(a), to 163 days for schools on a traditional calendar, or to 151 days for multitrack year-round schools.

(3) If all sampled regular day schools have fewer than the applicable minimum number of days as set forth in subparagraph (a)(2) of this section, determine whether the same is true for all the regular day schools of the district.

(4) If all regular day schools have fewer than the applicable minimum number of days, the district is subject to the penalty provided in subdivision (a) of Education Code Section 41420. Include a statement of that fact and the calculation and amount of the penalty in the Findings and Recommendations section of the audit report.

(5) If the district is not subject to the penalty provided in subdivision (a) of Education Code Section 41420 but is subject to one or more penalties as provided in subdivision (b) of Education Code Section 41420, prepare a separate schedule for each school that was not in compliance showing the number of additional days the school would have had to maintain operations to meet the 163 day requirement, or the 151-day requirement if the school was operated on a multitrack year-round schedule. Calculate the penalty or penalties. Include the schedule(s), the calculation(s), and amount(s) of the penalty or penalties in a finding in the Findings and Recommendations section of the audit report.

(6) Determine whether the district received an apportionment pursuant to the Longer Day incentives prescribed by the provisions of Education Code Section 46201.

(A) If the district received an apportionment for Longer Day and received an apportionment pursuant to the Longer Year incentives prescribed by the provisions of subdivision (a) of the Education Code Section 46200:

1. Determine the required amount of instructional time by reducing the amount of time by grade level that is specified in Education Code Section 46201 and the amount offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 180 and multiplying by 12.

2. Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in subparagraph (a)(6)(A)1. of this section.

(B) If the district received an apportionment for Longer Day but did not receive an apportionment for Longer Year incentives:

1. Determine the required amount of instructional time by reducing the amount of time by grade level that is specified in Education Code Section 46201 and the amount offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 175 and multiplying by 12.

2. Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in subparagraph (a)(6)(B)1. of this section.

(C) If the district did not receive an apportionment for the Longer Day but did receive an apportionment for Longer Year incentives:

1. Determine the required amount of instructional time by reducing the amount of time by grade level offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 180 and multiplying by 12.

2. Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in subparagraph (a)(6)(C)1. of this section.

(D) If the district did not receive an apportionment for Longer Day and did not receive an apportionment for the Longer Year incentives:

1. Determine the required amount of instructional time by reducing the amount of time by grade level offered by the district during the 1982-83 school year by the result of dividing the time for each grade level by 175 and multiplying by 12.

2. Compare the amount of time offered for each grade level in each sampled school during the year being audited to the required amount of instructional time as determined in subparagraph (a)(6)(D)1. of this section.

(7) Determine whether the district offered optional classes to satisfy incentive funding requirements. If enrollment in optional classes is low, review the district's documentation of class offerings to ensure that the district has acted effectively to comply with the law. Practices that are not consistent with effectively offering additional instructional time may include, but are not limited to, offering only a small number of courses that in addition are appropriate only for limited numbers of pupils, and courses scheduled such that pupils may take them only by giving up their lunch period or by attending school outside the schedule of district-provided bus service.

(8) Prepare the "Schedule of Instructional Time" that must be presented in the Supplementary Information section of the audit report, showing by grade level the number(s) of instructional minutes offered by the district in the 1982-83 year, and the district's

1982-83 instructional minutes as reduced pursuant to subparagraph (a)(6) of this section as applicable; the 1986-87 instructional time requirements specified in Education Code Section 46201, and the 1986-87 instructional time requirements as reduced pursuant to subparagraph (a)(6) of this section as applicable; the instructional minutes offered during the year audited showing the school with the lowest number of minutes offered at each grade level; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; and whether the district complied with the reduced instructional minutes and days provisions. State in a note to the schedule whether the district received incentive funding for increasing instructional time pursuant to the Longer Instructional Day incentives.

(9) If any schools were not in compliance with the instructional minutes requirements as calculated pursuant to subparagraph (a)(6) of this section as applicable, or the instructional days requirements pursuant to subparagraph (a) of this section as applicable, or both, prepare a separate schedule for each school showing only those grade levels that were not in compliance and calculate the penalty or penalties pursuant to Education Code Section 46200(e), 46201(d), or 46202(b). Include the schedule(s), the calculation, and the amount of the penalty or penalties in a finding in the Findings and Recommendations section of the audit report.

(b) County offices of education: If the county office of education received Longer Instructional Day or Longer Year incentive funding, or both, for special day classes, perform the following procedures:

(1) Review the school attendance calendar and bell (class) schedules. Determine the amount of instructional time and the number of instructional days offered by each school.

(2) If the county office of education received an apportionment for both the Longer Day incentives prescribed by the provisions of Education Code Section 46201.5 and the Longer Year incentives prescribed by the provisions of Education Code Section 46200.5:

(A) Determine the required amount of instructional time by reducing the amount of time by grade level that is specified in Education Code Section 46201.5 by the result of dividing the time for each grade level by 180 and multiplying by 12.

(B) Compare the amount of time offered for each grade level during the year being audited to the required amount of instructional time as determined in subparagraph (b)(2)(A) of this section.

(3) If the county office of education received an apportionment for the Longer Day but not for the Longer Year incentives:

(A) Determine the required amount of instructional time by reducing the amount of time by grade level that is specified in Education Code Section 46201.5 by the result of dividing the time for each grade level by 175 and multiplying by 12.

(B) Compare the amount of time offered for each grade level during the year being audited to the required amount of instructional time as determined in subparagraph (b)(3)(A) of this section.

(4) Prepare the "Schedule of Instructional Time" that must be presented in the Supplementary Information section of the audit report showing by grade level the 1986-87 instructional time requirements specified in Education Code Section 46201.5, and the 1986-87 instructional time requirements as reduced pursuant to subparagraph (b)(2)(A) or (b)(3)(A) of this section, as applicable; the instructional minutes offered during the year audited showing the school with the lowest number of minutes; the number of instructional days offered during the year audited on the traditional calendar and on any multitrack calendars; whether the county office of education complied with the reduced instructional minutes requirements as calculated pursuant to subparagraph (b)(2)(A) or (b)(3)(A) of this section, as applicable; and, if the county office of education received an apportionment pursuant to Education Code Section 46200.5(a), whether the county office of education complied with the instructional days provisions as reduced by the provisions of Education Code sections 46201.2(a) and 46201.3(a). State in a note to the schedule whether the county office of education received incentive funding for increasing instructional time pursuant to the Longer Instructional Day incentives and whether it received an apportionment pursuant to Education Code Section 46200.5(a).

(5) If any schools were not in compliance with the reduced instructional minutes or days provisions, or both, prepare a separate schedule for each such school showing only those grade levels that were not in compliance and the calculation and amount of the penalty or penalties set forth in Education Code Section 46200.5(c) or 46201.5(e). Include both the schedule(s) and the calculated penalty or penalties in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

~~(a) Verify that the minimum school day included at least 360 minutes of community day school classroom instruction by reviewing the bell schedule(s) of the school district's or county office of education's community day school(s), and that the school's practice was to schedule all pupils, other than pupils with exceptional needs whose Individualized Education Programs specified otherwise, to attend for at least the minimum day.~~

~~(b) Select a representative sample of pupils and verify that they were scheduled to attend the community day school for at least 360 minutes each day by reviewing their class assignments.~~

- (c) Verify that pupils were provided classroom instruction by a certificated employee of the school district or county office of education for at least the minimum school day, by reviewing teacher room assignments and employment records.
- (d) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.
- (e) Select a representative sample of pupils who were enrolled in the district's or county office's community day school(s) and perform the following procedures:
- (1) Trace the credit reported for each sampled pupil's attendance in the fifth and sixth hours of attendance back to the record prepared by the classroom teacher.
 - (2) Verify that hourly attendance accounting was used.
 - (3) Verify that pupils who attended fewer than five hours in a school day were not reported for attendance credit for the additional funding, that attendance of five hours was reported for one-half day of attendance credit for the additional funding, and that attendance of six hours or more was reported for one whole day of attendance credit for the additional funding.
- (f) If any inappropriately reported units of Average Daily Attendance are identified through the immediately foregoing procedure, prepare a schedule displaying the hours of attendance credit inappropriately reported and recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.
- (g) Select a representative sample of pupils who were enrolled in the district's or county office's community day school(s) and perform the following procedures:
- (1) Trace the credit reported for each sampled pupil's attendance in the seventh and eighth hours back to the data origination record.
 - (2) Verify that hourly attendance accounting was used.
 - (3) Verify that no pupils who had not completed the full six-hour instructional school day were reported for attendance credit for the additional funding.
 - (4) Verify that the pupils' attendance during the seventh and eighth hours was supervised by an employee of the district or the county office of education.
- (h) If any inappropriately reported hours of attendance are identified through the immediately foregoing procedure, prepare a schedule displaying the hours of attendance inappropriately reported and an estimate of their dollar value, and include it in the Findings and Recommendations section of the audit report.
- Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19825.1. Community Day Schools.

- (a) Verify that the minimum school day included at least 360 minutes of community day school classroom instruction by reviewing the bell schedule(s) of the school district's or county office of education's community day school(s), and that the school's practice was to schedule all pupils, other than pupils with exceptional needs whose Individualized Education Programs specified otherwise, to attend for at least the minimum day.
- (b) Select a representative sample of enrolled pupils and verify that they were scheduled to attend the community day school for at least 360 minutes each day by reviewing their class assignments.
- (c) Verify that classroom instruction was provided by a certificated employee of the school district or county office of education for at least the minimum school day, by reviewing teacher room assignments and employment records.
- (d) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.
- (e) Review the supporting documentation for the school district's claim for the additional Average Daily Attendance funding for actual attendance in the fifth and sixth hours of instruction pursuant to the provisions of subdivision (c) of Education Code Section 48663 and Education Code Section 48664. Verify that only those pupils who were identified as mandatorily expelled pursuant to subdivision (d) of Education Code Section 48915 were included in the claim for the additional fifth and sixth hour Average Daily Attendance funding, and that no pupils were included in that claim who were identified as expelled for any other reasons, or

identified as probation referred pursuant to Welfare and Institutions Code sections 300 and 602, or identified as referred to the community day school by a school attendance review board or any other district level referral process.

(f) If any pupils are identified through the audit procedure in subparagraph (e) of this section as having been inappropriately included in the claim for the additional fifth and sixth hour Average Daily Attendance, include a schedule in the Findings and Recommendations section of the audit report displaying the number of pupils who were inappropriately included in the claim, the number of units of fifth and sixth hour Average Daily Attendance associated with those pupils, and an estimate of the dollar value of that fifth and sixth hour Average Daily Attendance.

(g) From the supporting documentation for the school district's claim for the additional fifth and sixth hour Average Daily Attendance as described in subparagraph (e) of this section, select a representative sample of pupils identified as mandatorily expelled and verify that those pupils were expelled pursuant to subdivision (d) of Education Code Section 48915 for commission of one or more of the acts specified in subdivision (c) of Education Code Section 48915 by reviewing the orders to expel for each pupil in the sample.

(h) If any pupils are identified through the audit procedure in subparagraph (g) of this section as having been inappropriately identified as mandatorily expelled, include a schedule in the Findings and Recommendations section of the audit report displaying the number of pupils who were inappropriately identified, the number of units of fifth and sixth hour Average Daily Attendance associated with those pupils, and an estimate of the dollar value of that fifth and sixth hour Average Daily Attendance.

(i) Using the sample selected in subparagraph (g) of this section, perform the following procedures:

(1) Trace the credit reported for each sampled pupil's attendance in the fifth and sixth hours of attendance back to the record prepared by the classroom teacher.

(2) Verify that hourly attendance accounting was used.

(3) Verify that pupils who attended fewer than five hours in a school day were not reported for attendance credit for the additional funding, that attendance of five hours was reported for one-half day of attendance credit for the additional funding, and that attendance of six hours or more was reported for one whole day of attendance credit for the additional funding.

(j) If any inappropriately reported units of fifth and sixth hour Average Daily Attendance are identified through the immediately foregoing procedure, prepare a schedule displaying the hours of attendance credit inappropriately reported and recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19826. Class Size Reduction. [Renumbered]

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19826.1. Class Size Reduction. [Renumbered]

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19827. Morgan Hart Class Size Reduction Program.

(a) Determine whether the school district received Morgan Hart Class Size Reduction Program funding pursuant to the provisions of Chapter 6.8 of Part 28 of the Education Code (commencing with Section 52080).

(b) Review the district's report of enrollment for the Morgan Hart Class Size Reduction Program and trace the data, after determining that it is mathematically correct, to supporting summaries.

(c) Select a representative sample of schools to test, and perform the following procedures:

(1) Verify the mathematical accuracy of the calculation of Active Monthly Enrollment as defined in Section 15141(b)(1) and Section 15140(d) for each class.

(2) Trace site summaries to contemporaneous documentation.

(3) Select a representative sample of classes to verify that each class had not more than 22 pupils enrolled during the school year.

(4) Verify that the school-wide Student to Teacher Ratio as set forth in Section 15141(b)(2) for all participating classes is not more than 20 pupils per certificated teacher.

(5) Review the titles of the participating grade 9 classes to verify that the classes were in courses that count toward completion of the graduation requirements established in subparagraph (A), (B), (C), or (D) of paragraph (1) of subdivision (a) of Education Code Section 51225.3, that the classes were in not more than two courses, and that one of the courses was English.

(d) If any of the classes reported for Morgan Hart Class Size Reduction Program funds are determined to have been ineligible, prepare a schedule summarizing the results of all procedures and presenting the noncompliant classes by grade level, course title, number of classes, amount of full year equivalent enrollment (FYEE) as defined in Section 15140(e), for grade 9 classes, or number of pupils, for grade 10, 11, and 12 classes, incorrectly reported as eligible, and the amount of Morgan Hart Class Size Reduction Program funding claimed on the basis of the FYEE or those pupils. Include the data for each ineligible class only once, even if the class was found ineligible in more than one of the steps in the audit procedures. Include the schedule in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020 and 52084, Education Code.

§ 19828. Instructional Materials.

For fiscal year 2003-04 only, perform the following audit steps:

(a) Determine whether the year audited is one for which the governing boards of school districts or county boards of education that receive funds for instructional materials from any state source are subject to the provisions of Education Code Section 60119, as set forth in subdivision (c) of that section.

(b) If the year audited is one in which the school district or county office of education was required to conduct a hearing as provided in Education Code Section 60119, perform the following audit procedures:

(1) Determine whether the school district governing board or county board of education held the public hearing or hearings required by the provisions of Education Code Section 60119 prior to making a determination through a resolution whether each pupil in each school had, or would have by the end of that fiscal year, sufficient textbooks or other instructional materials in each subject.

(2) Determine whether the school district governing board or county board of education provided 10-day notice of the required public hearing or hearings.

(3) Determine whether each notice included the time, place, and purpose of the hearing and whether the school district or county office of education posted the notice at a minimum of three public locations in the school district or county, respectively.

(4) Determine whether the resolution stated that there were, or would be by the end of that fiscal year, sufficient textbooks or instructional materials, or that the resolution stated there were insufficient textbooks or instructional materials, or both. If the latter, verify that the school district governing board or county board of education took action to ensure that each pupil would have sufficient textbooks or instructional materials, or both, within a two-year period from the date of the determination.

(c) If the school district or county office of education was not in compliance with any of the requirements set forth in the foregoing procedures, the school district or county office of education was not eligible to receive an Instructional Materials Funding Realignment Program allowance for the year audited. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of Instructional Materials Funding Realignment Program allowance received as disallowed.

(d) Instructional Materials Funding Realignment Program:

(1) Determine the amount of the Instructional Materials Funding Realignment Program allowance received by the local education agency.

(2) Verify that the allowance received was accounted for separately.

(3) For kindergarten and grades 1 through 8, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were adopted by the State Board of Education in March 1999 or later, are in one of the four eligible subject areas, and bear the copyright date and are of editions of the materials adopted by the State Board of Education.

(4) For grades 9 through 12, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were reviewed and approved through a resolution adopted by the local education agency's governing board as being aligned with State Board of Education-adopted content standards.

(5) Determine whether the governing board certified, as set forth in Education Code Section 60422, that each pupil had been provided with a standards-aligned textbook or basic instructional materials.

(6) If the governing board did certify as set forth in Education Code Section 60422, review the Instructional Materials Funding Realignment Program expenditures initiated after the certification was made and select a sample to verify that the textbooks or materials were from the following categories:

(A) Purchase of instructional materials adopted by the State Board of Education pursuant to the provisions of Education Code Section 60200 for kindergarten and grades 1 through 8, or by the governing board pursuant to the provisions of Education Code Section 60400 for grades 9 through 12.

(B) Purchase, at the local education agency's discretion, of instructional materials, including, but not limited to, supplementary instructional materials and technology-based materials from any source.

(C) Purchase of tests.

(D) Binding of textbooks that were otherwise usable and were on the most recent list of basic instructional materials adopted by the State Board of Education and made available pursuant to the provisions of Education Code Section 60200.

(E) Funding of in-service training related to instructional materials.

(F) Purchase of classroom library materials for kindergarten and grades 1 through 4, if the local education agency had a plan as specified in Education Code Section 60242(d).

(e) If any of the instructional materials funds are found to have been expended inappropriately, include the amount inappropriately spent in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19828.1. Instructional Materials.

For fiscal years 2004-05 through 2006-07, perform the following procedures:

(a) Determine whether the year audited is one for which the governing boards of school districts or county boards of education that receive funds for instructional materials from any state source are subject to the provisions of Education Code Section 60119, as set forth in subdivision (d) of that section.

(b) If the year audited is one in which the school district or county office of education was required to conduct a hearing as provided in Education Code Section 60119, perform the following audit procedures.

(1) For fiscal year 2005-06 and each fiscal year thereafter, determine whether the school district governing board or county board of education, prior to making a determination through a resolution as to the sufficiency of textbooks or other instructional materials, held the public hearing or hearings required by the provisions of Education Code Section 60119 on or before the end of the eighth week from the first day pupils attended school for that year, or, in a school district or county office of education having schools that operate on a multitrack, year-round calendar, on or before the end of the eighth week from the first day pupils attended school for that year on any track that began in August or September.

(2) Determine whether the school district governing board or county board of education provided 10-day notice of the required public hearing or hearings.

(3) Determine whether each notice included the time, place, and purpose of the hearing and whether the school district or county office of education posted the notice at a minimum of three public locations in the school district or county, respectively.

(4) Determine whether the hearing was held at a time that encouraged the attendance of teachers and parents and guardians of pupils who attend the schools in the district and did not take place during or immediately following school hours.

(5) Determine whether the resolution stated that each pupil in each school had sufficient textbooks or instructional materials aligned to the content standards adopted by the State Board of Education pursuant to Education Code Section 60605 and consistent with the content and cycles of the curriculum framework adopted by the State Board of Education, or instead that there was an insufficiency of such textbooks or instructional materials, or both, in any one or more of mathematics, science, history-social science, and English/language arts including the English language development component of an adopted program, as appropriate. If the resolution stated any insufficiency, verify that the school district governing board or county board of education provided information to classroom teachers and to the public setting forth, for each school in which an insufficiency existed, the percentage of pupils who lacked sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil did not have sufficient standards-aligned textbooks or instructional materials, or both, and took action to ensure that each pupil would have sufficient textbooks or instructional materials, or both, within two months of the beginning of the school year in which the determination was made.

(6) Verify whether the governing board made a written determination as to whether each pupil enrolled in a foreign language or health course had sufficient textbooks or instructional materials that were consistent with the content and cycles of the curriculum frameworks adopted by the State Board of Education for those subjects.

(7) Verify whether the governing board determined the availability of laboratory science equipment as applicable to science laboratory courses offered in grades 9 to 12, inclusive.

(c) If the school district or county office of education was not in compliance with any of the requirements set forth in procedures 1 through 5 of subdivision (b) of this section, the school district or county office of education was not eligible to receive an Instructional Materials Funding Realignment Program allowance for the fiscal year audited. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of Instructional Materials Funding Realignment Program allowance received as disallowed.

(d) If the school district or county office of education was not in compliance with any of the requirements set forth in procedures 6 or 7 of subparagraph (b) of this section, report the noncompliance in a finding in the Findings and Recommendations section of the audit report.

(e) Instructional Materials Funding Realignment Program:

(1) Determine the amount of the Instructional Materials Funding Realignment Program allowance received by the local education agency.

(2) Verify that the allowance received was accounted for separately.

(3) For kindergarten and grades 1 through 8, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were adopted by the State Board of Education in March 1999 or later, are in one of the four eligible subject areas, and bear the copyright date and are of editions of the materials adopted by the State Board of Education.

(4) For grades 9 through 12, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were reviewed and approved through a resolution adopted by the local education agency's governing board as being aligned with State Board of Education-adopted content standards.

(5) Determine whether the governing board certified, as set forth in Education Code Section 60422, that each pupil had been provided with a standards-aligned textbook or basic instructional materials.

(6) If the governing board did certify as set forth in Education Code Section 60422, review the Instructional Materials Funding Realignment Program expenditures initiated after the certification was made and select a sample to verify that the textbooks or materials were from the following categories:

(A) Purchase of instructional materials adopted by the State Board of Education pursuant to the provisions of Education Code Section 60200 for kindergarten and grades 1 through 8, or by the governing board pursuant to the provisions of Education Code Section 60400 for grades 9 through 12.

(B) Purchase, at the local education agency's discretion, of instructional materials, including, but not limited to, supplementary instructional materials and technology-based materials from any source.

(C) Purchase of tests.

(D) Binding of textbooks that were otherwise usable and were on the most recent list of basic instructional materials adopted by the State Board of Education and made available pursuant to the provisions of Education Code Section 60200.

(E) Funding of in-service training related to instructional materials.

(F) Purchase of classroom library materials for kindergarten and grades 1 through 4, if the local education agency had a plan as specified in Education Code Section 60242(d).

(f) If any of the instructional materials funds are found to have been expended inappropriately, include the amount inappropriately spent in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19828.2. Instructional Materials.

For fiscal year 2007-08, perform the following procedures:

(a) Determine whether the year audited is one for which the governing boards of school districts or county boards of education that receive funds for instructional materials from any state source are subject to the provisions of Education Code Section 60119, as set forth in subdivision (d) of that section.

(b) If the year audited is one in which the school district or county office of education was required to conduct a hearing as provided in Education Code Section 60119, perform the following audit procedures.

(1) Determine whether the school district governing board or county board of education, prior to making a determination through a resolution as to the sufficiency of textbooks or other instructional materials, held the public hearing or hearings required by the provisions of Education Code Section 60119 on or before the end of the eighth week from the first day pupils attended school for that year, or, in a school district or county office of education having schools that operate on a multitrack, year-round calendar, on or before the end of the eighth week from the first day pupils attended school for that year on any track that began in August or September.

(2) Determine whether the school district governing board or county board of education provided 10-day notice of the required public hearing or hearings.

(3) Determine whether each notice included the time, place, and purpose of the hearing and whether the school district or county office of education posted the notice at a minimum of three public locations in the school district or county, respectively.

- (4) Determine whether the hearing was held at a time that encouraged the attendance of teachers and parents and guardians of pupils who attend the schools in the district and did not take place during or immediately following school hours.
- (5) Determine whether the resolution stated that each pupil in each school had sufficient textbooks or instructional materials aligned to the content standards adopted by the State Board of Education pursuant to Education Code Section 60605 and consistent with the content and cycles of the curriculum framework adopted by the State Board of Education, or instead that there was an insufficiency of such textbooks or instructional materials, or both, in any one or more of mathematics, science, history-social science, and English/language arts including the English language development component of an adopted program, as appropriate. If the resolution stated any insufficiency, verify that the school district governing board or county board of education provided information to classroom teachers and to the public, setting forth, in the resolution, for each school in which an insufficiency existed, the percentage of pupils who lacked sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil did not have sufficient standards-aligned textbooks or instructional materials, or both, and took action to ensure that each pupil would have sufficient textbooks or instructional materials, or both, within two months of the beginning of the school year in which the determination was made.
- (6) Verify whether the governing board made a written determination as to whether each pupil enrolled in a foreign language or health course had sufficient textbooks or instructional materials that were consistent with the content and cycles of the curriculum frameworks adopted by the State Board of Education for those subjects.
- (7) Verify whether the governing board determined the availability of laboratory science equipment as applicable to science laboratory courses offered in grades 9 to 12, inclusive.
- (c) If the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 1 through 5 of subparagraph (b) of this section, the school district or county office of education was not eligible to receive an Instructional Materials Funding Realignment Program allowance for the fiscal year audited. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of Instructional Materials Funding Realignment Program allowance received as disallowed.
- (d) If the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 6 or 7 of subparagraph (b) of this section, report the noncompliance in a finding in the Findings and Recommendations section of the audit report.
- (e) Instructional Materials Funding Realignment Program:
- (1) Determine the amount of the Instructional Materials Funding Realignment Program allowance received by the local education agency.
- (2) Verify that the allowance received was accounted for separately.
- (3) For kindergarten and grades 1 through 8, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were adopted by the State Board of Education in March 1999 or later, are in one of the four eligible subject areas, and bear the copyright date and are of editions of the materials adopted by the State Board of Education.
- (4) For grades 9 through 12, review the local education agency's list of instructional materials purchased and select a sample to verify that the materials were reviewed and approved through a resolution adopted by the local education agency's governing board as being aligned with State Board of Education-adopted content standards.
- (5) Determine whether the governing board certified, as set forth in Education Code Section 60422, that each pupil had been provided with a standards-aligned textbook or basic instructional materials.
- (6) If the governing board did certify as set forth in Education Code Section 60422, review the Instructional Materials Funding Realignment Program expenditures initiated after the certification was made and select a sample to verify that the expenditures each fell into one of the following categories:
- (A) Purchase of instructional materials adopted by the State Board of Education pursuant to the provisions of Education Code Section 60200 for kindergarten and grades 1 through 8, or by the governing board pursuant to the provisions of Education Code Section 60400 for grades 9 through 12.
- (B) Purchase, at the local education agency's discretion, of instructional materials, including, but not limited to, supplementary instructional materials and technology-based materials from any source.
- (C) Purchase of tests.
- (D) Binding of textbooks that were otherwise usable and were on the most recent list of basic instructional materials adopted by the State Board of Education and made available pursuant to the provisions of Education Code Section 60200.
- (E) Funding of in-service training related to instructional materials.

(F) Purchase of classroom library materials for kindergarten and grades 1 through 4, if the local education agency had a plan as specified in subdivision (d) of Education Code Section 60242.

(f) If any of the instructional materials funds are found to have been expended inappropriately, include the amount inappropriately spent in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19828.3. Instructional Materials.

For fiscal year 2008-09, perform the following procedures:

(a) Determine whether the year audited is one for which the governing boards of school districts or county boards of education that receive funds for instructional materials from any state source are subject to the provisions of Education Code Section 60119, as set forth in subdivision (d) of that section of that section prior to the amendment effective February 20, 2009.

(b) If the year audited is one in which the school district or county office of education was required to conduct a hearing as provided in Education Code Section 60119, perform the following audit procedures.

(1) Determine whether the school district governing board or county board of education, prior to making a determination through a resolution as to the sufficiency of textbooks or other instructional materials, held the public hearing or hearings required by the provisions of Education Code Section 60119 on or before the end of the eighth week from the first day pupils attended school for that year, or, in a school district or county office of education having schools that operate on a multitrack, year-round calendar, on or before the end of the eighth week from the first day pupils attended school for that year on any track that began in August or September.

(2) Determine whether the school district governing board or county board of education provided 10-day notice of the required public hearing or hearings.

(3) Determine whether each notice included the time, place, and purpose of the hearing and whether the school district or county office of education posted the notice at a minimum of three public locations in the school district or county, respectively.

(4) Determine whether the hearing was held at a time that encouraged the attendance of teachers and parents and guardians of pupils who attend the schools in the district and did not take place during or immediately following school hours.

(5) Determine whether the resolution stated that each pupil in each school had sufficient textbooks or instructional materials aligned to the content standards adopted by the State Board of Education pursuant to Education Code Section 60605 and consistent with the content and cycles of the curriculum framework adopted by the State Board of Education, or instead that there was an insufficiency of such textbooks or instructional materials, or both, in any one or more of mathematics, science, history-social science, and English/language arts including the English-language development component of an adopted program, as appropriate. If the resolution stated any insufficiency, verify that the school district governing board or county board of education provided information to classroom teachers and to the public, setting forth, in the resolution, for each school in which an insufficiency existed, the percentage of pupils who lacked sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil did not have sufficient standards-aligned textbooks or instructional materials, or both, and took action to ensure that each pupil would have sufficient textbooks or instructional materials, or both, within two months of the beginning of the school year in which the determination was made.

(6) Verify whether the governing board made a written determination as to whether each pupil enrolled in a foreign language or health course had sufficient textbooks or instructional materials that were consistent with the content and cycles of the curriculum frameworks adopted by the State Board of Education for those subjects.

(7) Verify whether the governing board determined the availability of laboratory science equipment as applicable to science laboratory courses offered in grades 9 to 12, inclusive.

(c) If the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 1 through 5 of subparagraph (b) of this section, the school district or county office of education was not eligible to receive an Instructional Materials Funding Realignment Program allowance for the fiscal year audited. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of Instructional Materials Funding Realignment Program allowance received as disallowed.

(d) If the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 6 or 7 of subparagraph (b) of this section, report the noncompliance in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19828.4. Instructional Materials.

(a) For fiscal year 2009-10 and each fiscal year thereafter, perform the following procedures:

(1) Determine whether the school district governing board or county board of education, prior to making a determination through a resolution as to the sufficiency of textbooks or other instructional materials, held the public hearing or hearings required by the provisions of Education Code Section 60119 on or before the end of the eighth week from the first day pupils attended school for that year, or, in a school district or county office of education having schools that operate on a multitrack, year-round calendar, on or before the end of the eighth week from the first day pupils attended school for that year on any track that began in August or September.

(2) Determine whether the school district governing board or county board of education provided 10-day notice of the required public hearing or hearings.

(3) Determine whether each notice included the time, place, and purpose of the hearing and whether the school district or county office of education posted the notice at a minimum of three public locations in the school district or county, respectively.

(4) Determine whether the hearing was held at a time that encouraged the attendance of teachers and parents and guardians of pupils who attend the schools in the district and did not take place during or immediately following school hours.

(5) Determine whether the resolution stated that each pupil in each school had sufficient textbooks or instructional materials aligned to the content standards adopted by the State Board of Education pursuant to Education Code Section 60605 or 60605.8 and consistent with the content and cycles of the curriculum framework adopted by the State Board of Education, or instead that there was an insufficiency of such textbooks or instructional materials, or both, in any one or more of mathematics, science, history-social science, and English/language arts including the English language development component of an adopted program, as appropriate. If the resolution stated any insufficiency, verify that the school district governing board or county board of education provided information to classroom teachers and to the public, setting forth, in the resolution, for each school in which an insufficiency existed, the percentage of pupils who lacked sufficient standards-aligned textbooks or instructional materials in each subject area and the reasons that each pupil did not have sufficient standards-aligned textbooks or instructional materials, or both, and took action to ensure that each pupil would have sufficient textbooks or instructional materials, or both, within two months of the beginning of the school year in which the determination was made.

(6) Verify whether the governing board made a written determination as to whether each pupil enrolled in a foreign language or health course had sufficient textbooks or instructional materials that were consistent with the content and cycles of the curriculum frameworks adopted by the State Board of Education for those subjects.

(7) Verify whether the governing board determined the availability of laboratory science equipment as applicable to science laboratory courses offered in grades 9 to 12, inclusive.

(b) For 2009-10 through 2012-13 only, if the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 1 through 5 of subparagraph (a) of this section, the school district or county office of education was not eligible to receive an Instructional Materials Funding Realignment Program allowance for the fiscal year audited. Include a finding in the Findings and Recommendations section of the audit report showing the full amount of Instructional Materials Funding Realignment Program allowance received as disallowed.

(c) If the school district or county office of education was not in compliance with any of the requirements set forth in audit procedures 1 through 7 of subparagraph (a) of this section, report the noncompliance in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19829. Ratios of Administrative Employees to Teachers.

(a) For school districts, verify that the school district is in compliance with the administrative employee to teacher ratio requirement for the year audited by determining that the employees were properly classified and the ratio was calculated consistent with the definitions in Education Code Section 41401 and the procedures of Education Code Section 41403.

(b) If the number of administrative employees per hundred teachers exceeded the allowable ratio set forth in Education Code Section 41402, indicate the number of excess administrative employees and the associated penalty, as set forth in Education Code Section 41404, in the Findings and Recommendations section of the audit report.

(c) If the school district cannot show that it was in compliance with the ratio during the year audited, include a statement in the Findings and Recommendations section of the audit report that the ratio could not be confirmed.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19829.5. Classroom Teacher Salaries.

(a) If, during the year preceding the year audited, the district had 101 units or more of Average Daily Attendance, and, during the year audited, the district was subject to the provisions of Education Code Section 41372 pursuant to the provisions of Education Code Section 41374, determine whether, after applicable audit adjustments, the district met the current expense of education percentage requirements for expenditure for payment of salaries of classroom teachers as set forth in Education Code Section 41372.

(b) If the district did not meet the applicable minimum percentage required for payment of salaries of classroom teachers, include a statement in the Findings and Recommendations section of the audit report indicating the minimum percentage required, the district's current expense of education for the year audited after applicable audit adjustments, and the dollar amount by which the district was deficient.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020 and 41372, Education Code.

§ 19830. Early Retirement Incentive.

For fiscal years 2003-04 and 2004-05, perform the following procedures:

(a) Obtain a copy of the certification required by Education Code sections 22714, 22714.5, and 44929 and verify that the school district received approval from the county office of education or that the county office of education received approval from the Superintendent of Public Instruction as appropriate.

(b) Verify that the reason(s) contained in the certification are consistent with the results of the early retirement incentive program.

(c) Verify the data disclosed as a result of the district's or county office's adoption of the early retirement incentive program.

(d) Include a disclosure in the Notes to the Basic Financial Statements that presents the number and type of positions vacated; the age, service credit, salary, and, separately, the benefits of the retirees receiving additional service credit; a comparison of the salary and benefits of each retiree with the salary and benefits of the replacement employee, if any; the resulting retirement cost, including interest, if any, and postretirement health benefit costs, incurred by the employer.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19830.1. Early Retirement Incentive.

For fiscal year 2005-06 and each fiscal year thereafter, perform the following procedures:

(a) Obtain a copy of the certification required by Education Code sections 22714 and 44929 and verify that the school district received approval from the county office of education or that the county office of education received approval from the Superintendent of Public Instruction as appropriate.

(b) Verify that the reason(s) contained in the certification are consistent with the results of the early retirement incentive program.

(c) Verify the data disclosed as a result of the district's or county office's adoption of the early retirement incentive program.

(d) Include a disclosure in the Notes to the Basic Financial Statements that presents the number and type of positions vacated; the age, service credit, salary, and, separately, the benefits of the retirees receiving additional service credit; a comparison of the salary and benefits of each retiree with the salary and benefits of the replacement employee, if any; the resulting retirement cost, including interest, if any, and postretirement health benefit costs, incurred by the employer.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19831. Gann Limit Calculation.

The following audit procedures apply to the current year appropriations limit calculation for school districts and county offices of education.

(a) Verify that the data used by the district or the county office is accurate, ensuring that the prior year Gann ADA and prior year appropriations limit used by the local education agency match the data on the prior year appropriations limit calculation previously submitted to the California Department of Education. If the district or county office has made adjustments to the prior year data, verify that the adjustments are correct. If the data has been revised, verify that the district or the county office has recalculated the prior year appropriations limit and attached a copy of the recalculation to the current year appropriations limit.

(b) If the agency is found out of compliance, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Section 1.5 of Article XIII B, California Constitution.

§ 19832. School Construction Funds.

(a) School district bonds.

(1) Verify that the proceeds from the sale of bonds issued pursuant to the provisions of Education Code Section 15140 were deposited in accordance with the provisions of Education Code Section 15146.

(2) Select a sample of expenditures and verify that bond proceeds were expended only for the purpose(s) for which the bonds were issued, as specified in the official statement or statements of bond indenture submitted by the school district governing board to the county auditor or county treasurer.

(3) Verify that any money transferred to the general fund of the district from the interest and sinking fund was transferred in compliance with the provisions of Education Code Section 15234.

(4) If any proceeds from the sale of bonds are found to have been deposited inappropriately or to have been expended for purposes other than those specified in the official statement or statements of bond indenture, or if any money is found to have been transferred inappropriately from the interest and sinking fund, include a finding in the Findings and Recommendations section of the audit report stating the amount inappropriately deposited, expended, or transferred.

(b) State School Facilities Funds.

(1) Select a sample of expenditures and verify that expenditures from the school district's account in the county school facilities fund were made only for qualifying school facilities expenditures as provided in subdivision (c) of Education Code Section 17070.43 and additionally set forth in Education Code Section 17072.35, or in Education Code Section 17074.25 as further defined in subdivision (f) of Education Code Section 17070.15; or for other high priority capital outlay purposes in accordance with the provisions of subdivision (c) of Education Code Section 17070.63.

(2) If any expenditures of funds from the school district's account in the county school facilities fund are found to have been made for non-qualifying purposes, include a finding in the Findings and Recommendations section of the audit report stating the amount inappropriately expended.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19833. Alternative Pension Plans.

(a) As used in this section, "alternative pension plan" means a pension plan not administered by the California Public Employees Retirement System (Government Code Section 20000 and following) or the State Teachers Retirement System (Education Code Section 22000 and following).

(b) Interview administrative personnel and determine whether the local education agency has created an entity, joined a joint powers authority, or entered into a joint venture that provides for an alternative pension plan for its current or former permanent, full-time employees.

(c) If the local education agency has done so, determine that the activity is fully disclosed in the Notes to the Basic Financial Statements.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19833.5. Excess Sick Leave.

(a) Determine whether excess sick leave, as that term is defined in subdivision (c) of Education Code Section 22170.5, is expressly authorized or is accrued for the local education agency's employees who are members of the California State Teachers Retirement System (CalSTRS) by performing the following procedures:

(1) Review the employment contracts of the superintendent and one other high-level administrator who is a CalSTRS member, to identify the number of sick leave days each was authorized per school year.

(2) If neither contract authorizes excess sick leave, review the sick leave accrual records of the superintendent and the other high-level administrator to determine whether either or both have accrued excess sick leave.

(3) If neither authorized nor accrued excess sick leave is identified in the foregoing steps, disclose that fact in the Supplementary Information section of the audit report.

(b) If either authorized or accrued excess sick leave is identified in the audit procedures in subdivision (a), review teachers' (non-administrators) collective bargaining agreements to identify any provision authorizing excess sick leave. If no excess sick leave authorization is identified, disclose that fact in the Supplementary Information section of the audit report.

(c) If authorized or accrued excess sick leave is identified in the audit procedures in subdivisions (a) or (b) or both, disclose that fact in the Supplementary Information section of the audit report, identifying each contract or bargaining agreement that authorized excess sick leave, and specifying by title(s) the employee(s) whose sick leave accrual exhibited the granting of excess sick leave.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19833.6. Notification of Right to Elect California State Teachers Retirement System (CalSTRS) Membership.

(a) Determine whether the district provides a CalSTRS membership election form consistent with the provisions of subdivision (b) of Education Code Section 22455.5 (the notification and election form for the CalSTRS Cash Balance Benefit Program, if the district offers that program, or the permissive election and acknowledgement of receipt of CalSTRS Defined Benefit Plan membership information form, if the district does not offer the Cash Balance Benefit Program) to each newly hired substitute teacher or part-time employee who will render creditable service as defined in Education Code Section 22119.5.

(b) If the required form is not provided to each newly hired substitute teacher or part-time employee who will render creditable service as defined in Education Code Section 22119.5, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19834. Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000).

Determine the amount of the Proposition 20 restricted lottery allowance received from the State Controller.

(a) Verify that the allowance received was accounted for separately.

(b) From the expenditures of the Proposition 20 restricted lottery allowance funds, select a sample and verify that they were for instructional materials as defined in subdivisions (h), (m), or (n) of Education Code Section 60010.

(c) If any expenditure was not for instructional materials, include its amount in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19835. State Lottery Funds (California State Lottery Act of 1984).

Determine the amount of the non-Proposition 20 lottery allowance received from the State Controller.

(a) Verify that the allowance was accounted for separately as required by subdivision (k) of Government Code Section 8880.5.

(b) From the expenditures of the non-Proposition 20 lottery allowance funds, select a sample and determine whether any funds were used for the acquisition of real property, construction of facilities, or financing of research.

(c) If any non-Proposition 20 lottery funds are identified as having been expended for the acquisition of real property, construction of facilities, or financing of research, include the amount of the expenditure in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19836. California School Age Families Education (Cal-SAFE) Program.

If the school district, county office of education, or charter school received Cal-SAFE funds for the audited year, perform the following procedures. Do not apply the materiality provisions set forth in Section 19813.

(a) Determine whether the Cal-SAFE annual report of attendance submitted to the California Department of Education reconciles to supporting documentation by verifying the local education agency's calculation of each reporting line item.

(b) For each line item, select a representative sample of Cal-SAFE pupils whose Average Daily Attendance was included. For each pupil in each sample, verify the Average Daily Attendance calculation, and trace the pupil's daily attendance to the data origination documentation.

(c) Determine whether any Cal-SAFE pupils generated Average Daily Attendance in more than one program. Select a representative sample from among such pupils. Verify that not more than a total of one unit of Average Daily Attendance generated by each pupil was included in the report.

(d) If the total reported units of Average Daily Attendance generated by Cal-SAFE pupils in their education programs include more than one unit of Average Daily Attendance for any pupil, include a statement in the Findings and Recommendations section of the audit report of the number of excess unit(s).

(e) If any inappropriately reported units of Average Daily Attendance are identified through the audit procedures in subdivisions (a) and (b), subtract the inappropriately reported units of Average Daily Attendance from the total reported. From the resulting total, subtract any excess units of Average Daily Attendance identified through the audit procedures in subdivision (c). Include a statement in the Findings and Recommendations section of the audit report of the correct number of support services allowances and the dollar value of the inappropriately claimed support services allowances.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19837. School Accountability Report Card.

For fiscal years 2004-05 through 2006-07, perform the following procedures:

(a) Obtain copies of the quarterly report of summarized complaint data compiled pursuant to the provisions of subdivision (d) of Education Code Section 35186. Identify any complaints related to teacher misassignment or vacancies included in the summarized data and compare each such complaint to the information on teacher misassignment or vacancies stated in the School Accountability Report Card for the school identified in the complaint, as required by the provisions of subdivision (b)(5) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the complaint, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(b) For each school in the sample of schools selected pursuant to Section 19817.1(b), obtain the school district's or county office of education's completed copy of the interim evaluation instrument developed by the Office of Public School Construction pursuant to the provisions of subdivision (d) of Education Code Section 17002. If the interim evaluation instrument was completed prior to the publication of the school's School Accountability Report Card, compare the information contained in the instrument to the information on safety, cleanliness, and adequacy of school facilities contained in the School Accountability Report Card for that school as required by the provisions of subdivision (b)(9) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the interim evaluation instrument, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(c) For each school in the sample of schools selected pursuant to Section 19817.1(b), compare the information on the availability of sufficient textbooks and other instructional materials included in the School Accountability Report Card pursuant to the provisions of subdivision (b)(6)(B) of Education Code Section 33126 with the information in the resolution reviewed pursuant to Section 19828.1(b)(5) and the information in the determinations reviewed pursuant to Section 19828.1(b)(6) and Section 19828.1(b)(7). If the information in the School Accountability Report Card is inconsistent with the information in the resolution or the determinations, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19837.1. School Accountability Report Card.

For fiscal year 2007-08, perform the following procedures:

(a) Obtain copies of the quarterly report of summarized complaint data compiled pursuant to the provisions of subdivision (d) of Education Code Section 35186. Identify any complaints related to teacher misassignment or vacancies included in the summarized data and compare each such complaint to the information on teacher misassignment or vacancies stated in the School Accountability Report Card for the school identified in the complaint, as required by the provisions of subdivision (b)(5) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the complaint, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(b) For each school in the sample of schools selected pursuant to Section 19817.1(b), obtain the school district's or county office of education's copy of its most recently completed school facility conditions evaluation instrument developed by the Office of Public School Construction and approved by the State Allocation Board, or a local evaluation instrument that meets the same criteria, pursuant to the provisions of subdivision (d) of Education Code Section 17002. If the evaluation instrument was completed prior to the publication of the school's School Accountability Report Card, compare the information contained in the evaluation instrument to the information on safety, cleanliness, and adequacy of school facilities contained in the School Accountability Report Card for that school as required by the provisions of subdivision (b)(9) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the evaluation instrument, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(c) For each school in the sample of schools selected pursuant to Section 19817.1(b), compare the information on the availability of sufficient textbooks and other instructional materials included in the School Accountability Report Card pursuant to the provisions of subdivision (b)(6)(B) of Education Code Section 33126 with the information in the resolution reviewed pursuant to Section

19828.2(b)(5) and the information in the determinations reviewed pursuant to Section 19828.2(b)(6) and Section 19828.2(b)(7). If the information in the School Accountability Report Card is inconsistent with the information in the resolution or the determinations, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19837.2. School Accountability Report Card.

For fiscal year 2008-09, perform the following procedures:

(a) Obtain copies of the quarterly report of summarized complaint data compiled pursuant to the provisions of subdivision (d) of Education Code Section 35186. Identify any complaints related to teacher misassignment or vacancies included in the summarized data and compare each such complaint to the information on teacher misassignment or vacancies stated in the School Accountability Report Card for the school identified in the complaint, as required by the provisions of subdivision (b)(5) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the complaint, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(b) For each school in the sample of schools selected pursuant to Section 19817.1(b), obtain the school district's or county office of education's copy of its most recently completed school facility conditions evaluation instrument developed by the Office of Public School Construction and approved by the State Allocation Board, or a local evaluation instrument that meets the same criteria, pursuant to the provisions of subdivision (d) of Education Code Section 17002. If the evaluation instrument was completed prior to the publication of the school's School Accountability Report Card, compare the information contained in the evaluation instrument to the information on safety, cleanliness, and adequacy of school facilities contained in the School Accountability Report Card for that school as required by the provisions of subdivision (b)(9) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the evaluation instrument, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(c) For each school in the sample of schools selected pursuant to Section 19817.1(b), compare the information on the availability of sufficient textbooks and other instructional materials included in the School Accountability Report Card pursuant to the provisions of subdivision (b)(6)(B) of Education Code Section 33126 with the information in the resolution reviewed pursuant to Section 19828.3(b)(5) and the information in the determinations reviewed pursuant to Section 19828.3(b)(6) and Section 19828.3(b)(7). If the information in the School Accountability Report Card is inconsistent with the information in the resolution or the determinations, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.11, 14503 and 41020, Education Code.

§ 19837.3. School Accountability Report Card.

(a) For fiscal year 2009-10 and each fiscal year thereafter, obtain the School Accountability Report Cards issued in the year being audited, for each of the schools selected pursuant to Section 19817.2(c), and perform the following procedures:

(b) Identify any complaints related to teacher misassignment or vacancies included in the quarterly report of summarized complaint data compiled pursuant to subdivision (d) of Education Code Section 35186 that are applicable to the School Accountability Report Card(s) selected in (a), as required by subdivision (b)(5) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the complaint, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(c) For each school in the sample of schools selected pursuant to Section 19817.2(c), obtain the school district's or county office of education's copy of its most recently completed "Facility Inspection Tool (FIT), School Facility Conditions Evaluation" developed by the Office of Public School Construction and approved by the State Allocation Board and applicable to the School Accountability Report Card(s) selected in (a), or a local evaluation instrument that meets the same criteria, pursuant to subdivision (d) of Education Code Section 17002. Compare the information contained in the FIT to the information on safety, cleanliness, and adequacy of school facilities contained in the School Accountability Report Card(s) selected in (a) for that school as required by subdivision (b)(8) of Education Code Section 33126. If the information in the School Accountability Report Card is inconsistent with the information in the

FIT, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

(d) For each school in the sample of schools selected pursuant to Section 19817.2(c), compare the information on the availability of sufficient textbooks and other instructional materials included in the School Accountability Report Card(s) selected in (a) pursuant to subdivision (b)(6)(B) of Education Code Section 33126 with the information in the resolution and the determinations pursuant to Education Code Section 60119 for the year applicable to the School Accountability Report Card(s) selected in (a). If the information in the School Accountability Report Card is inconsistent with the information in the resolution or the determinations, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, include a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501, 14502.1, 14503 and 41020, Education Code.

§ 19828. Mathematics and Reading Professional Development.

If the school district or county office of education received Mathematics and Reading Professional Development funds, perform the following procedures:

(a)(1) If it is determined, pursuant to provisions of Section 19828.2(b)(5), that standards-aligned textbooks in mathematics or English language arts were not provided for each pupil, determine whether Mathematics and Reading Professional Development funding was claimed for any of the teachers of those pupils.

(2) For each teacher identified in the foregoing procedure, if any, determine the number of that teacher's pupils who were not provided standards-aligned mathematics or English language arts textbooks and calculate the applicable penalty by multiplying that number of pupils by \$100. Include a statement in the Findings and Recommendations section of the audit report specifying the number of pupils and the penalty amount.

(b)(1) Verify that the number of teachers claimed on the request for reimbursement submitted to the California Department of Education did not exceed the number of teachers actually participating in the Mathematics and Reading Professional Development program.

(2) If it is determined, through the foregoing audit procedure that fewer teachers participated in the Mathematics and Reading Professional Development Program training than were claimed for reimbursement, include a statement in the Findings and Recommendations section of the audit report specifying the number of teachers inappropriately reported for funding and the amount of funding received for those teachers.

(c)(1) Verify that the training provider who conducted the first 40 hours of training was on the State Board of Education approved list.

(2) If in-house training was provided during the year audited for any portion of the remaining 80 hours of follow-up instruction, verify that the local education agency's in-house professional development met the requirements specified in subdivision (a)(4) of Education Code Section 99237 by being focused primarily on the following:

(A) The mathematics or English language arts content standards adopted by the State Board of Education pursuant to Section 60605.

(B) The curriculum frameworks adopted by the State Board of Education for mathematics and English language arts.

(C) The use of instructional materials that will be used by pupils and are aligned to the mathematics or English language arts content standards adopted by the State Board of Education pursuant to Section 60605.

(D) Instructional strategies designed to help all pupils gain mastery of the California academic content standards, with special emphasis on English language learners and pupils with exceptional needs.

(3) If it is determined through the foregoing audit procedures that the school district or county office of education used an unapproved contractor or that any in-house training was ineligible, or both, include a finding in the Findings and Recommendations section of the audit report stating the amount inappropriately spent.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020 and 99237, Education Code.

§ 19840. Juvenile Court Schools.

If the county office of education claimed any average daily attendance for juvenile court schools which are shown on the attendance reporting forms under juvenile halls, homes and camps, or county group home and institution pupils, then perform the following procedures:

(a) Determine whether the Annual report of attendance submitted to the California Department of Education reconciles to the supporting documents by verifying the county office of education's juvenile court schools Average Daily Attendance calculations.

- (b) In accordance with Education Code Section 41601(b), verify that a divisor of 175 was used in calculating the average daily attendance reported in the Annual attendance reporting period.
- (c) Trace the Average Daily Attendance numbers from the Annual report of attendance to the county office of education's summaries.
- (d) Verify that the monthly site attendance summaries provide accurate information by reconciling the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the county for the Annual attendance reports.
- (e) Select a test month in the Annual attendance reporting period. Verify the mathematical accuracy of the monthly report and trace the totals to the site's attendance summary.
- (f) Select a representative sample of classes (teachers). Trace the monthly totals from the monthly report to the data origination documentation. Verify the mathematical accuracy of the attendance registers, scantron summaries, or other data arrays.
- (g) Verify that the minimum school day included at least 180 minutes of instruction for pupils in attendance in approved vocational education programs, work programs prescribed by the probation department pursuant to Welfare and Institutions Code Section 883, and work experience programs, and at least 240 minutes of instruction for all other pupils by reviewing the bell schedule(s) or other appropriate documentation; and that the school's practice was to schedule all pupils, other than pupils with exceptional needs whose Individualized Education Programs specified otherwise, to attend for at least the minimum day pursuant to the provisions of Education Code Section 48645.3.
- (h) Select a representative sample of pupils and verify, by reviewing class assignments, that the pupils were scheduled to attend school at least a minimum day pursuant to the provisions of Education Code Section 48645.3.
- (i) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans of the juvenile court school.
- Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19841. Exclusion of Pupils—Pertussis Immunization.

For fiscal year 2011-12, from the attendance records, select a representative sample of pupils enrolled in grades 7 through 12, inclusive, for whom Average Daily Attendance generated through regular classroom or independent study was claimed, and perform the following procedures:

- (a) As provided in Health and Safety Code Section 120335.1(a), for each pupil in the sample who was under age 18 who was enrolled in the county office of education or school district in the prior year, and whose first day of attendance occurred on or before the sixth Friday following the first day on which classes were offered at the school in which the pupil was enrolled, verify that evidence was on file by the 30th *calendar* day after the pupil's first day of attendance in school year 2011-12 of
- (1) a pertussis booster vaccine given on or after the pupil's 7th birthday, or
 - (2) a pertussis booster immunization exemption statement.
- (A) If the exemption from the new pertussis booster requirement was a temporary medical exemption that terminated any time during the 2011-12 school year, verify that evidence is on file that the pupil obtained the required pertussis booster vaccine when the temporary exemption terminated, or filed a permanent medical or personal beliefs exemption by that date.
- (B) If the exemption is based on personal beliefs, the statement must be specific to the new pertussis booster immunization requirement as specified by Title 17, Section 6051.
- (b) For each pupil in the sample who was under age 18 who transferred into the county office of education or school district, and whose immunization record was not received at the time of entry to the new school, verify that evidence was on file, as provided in Title 17, Section 6070(d), by the 30th *school* day after the pupil's first day of attendance in school year 2011-12 of compliance with the requirements set forth in (1) or (2) of subparagraph (a) of this section.
- (c) If, pursuant to the foregoing audit procedures, any pupils are found who did not have evidence of a pertussis booster vaccine or exemption, verify that attendance was not claimed for pupils continuing in the same county office of education or school district on or after the pupil's 31st *calendar* day of school, or on or after a transfer pupil's 31st *school* day. Once evidence is provided of the pertussis vaccination or a pertussis booster immunization exemption statement is received, the pupil is no longer excluded from school.
- (d) If any inappropriately reported units of Average Daily Attendance are identified through the foregoing audit procedures, recalculate, consistent with the provisions of Education Code Section 46303, the correct number of units of Average Daily

Attendance. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code. Chapter 3. Audits of California K-12 Local Education Agencies

Article 3.1. State Compliance Procedures: School Districts, County Offices of Education, and Charter Schools

§ 19843. Local Control Funding Formula Certification.

For the 2013-14 fiscal year, perform the following procedures:

(a) Verify that the school district, county office of education, or charter school has confirmed in writing its awareness of the requirements of the Local Control Funding Formula pursuant to Education Code Sections 2574, 2575, 42238.02, 42238.03, and 42238.07, as applicable, for the 2013-14 fiscal year. A written certification signed by each school district's, county office of education's, or charter school's superintendent, administrator, or authorized designee shall be deemed sufficient verification. (An example of an acceptable certification can be found on CDE's website under Local Control Funding Formula).

(b) If the auditor is unable to perform the verification in paragraph (a) include a finding in the Findings and Recommendations section of the audit report that states the school district, county office of education, or charter school did not confirm in writing its awareness of the requirements of the Local Control Funding Formula for fiscal year 2013-14 and recommend compliance with those requirements in the 2014-15 fiscal year.

Note: Authority cited: Section 14502.1, Education Code. Reference: Section 42238.02, Education Code.

§ 19844. California Clean Energy Jobs Act.

(a) Select a representative sample of California Clean Energy Jobs Act expenditures and verify they were consistent with the plan, and any amendments, approved by the California Energy Commission pursuant to Section 26235(f) of the Public Resources Code, and applicable California Energy Commission implementation guidelines.

(b) Verify that the total expenditures for planning funds did not exceed the planning fund award amount.

(c) Verify that the LEA was in compliance with Section 26235(c) of the Public Resources Code which states that an LEA may not use a sole source process to award funds, and that an LEA may use the best value criteria as defined in paragraph (1) of subdivision (c) of Section 20133 of the Public Contract Code.

(d) If any California Clean Energy Jobs Act expenditures are found to have been made for nonqualifying purposes or not in accordance with law, list such expenditures by type and amount, and state the total in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code; Section 26240, Public Resources Code.

§ 19845. Class Size Reduction.

For fiscal year 2003-04 only, perform the following audit steps:

If the school district or charter school received Class Size Reduction Program funding for the year audited, perform the following procedures, using daily averaging in all instances in which averaging is required.

(a) Verify the mathematical accuracy of the Class Size Reduction Program claim form submitted to the California Department of Education.

(b) Option One Classes

(1) Select a sample of classes from those that were certified as eligible for Option One Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option One classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available pupil and teacher assignment data to verify that the number of students reported as being under the immediate supervision of each assigned teacher for each class reported was the actual class size for a substantial majority of the full regular school day.

(c) Option Two Classes

(1) Select a sample of classes from those that were certified as eligible for Option Two Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option Two classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available data to ensure that the class size reported was the maximum actual class size for at least one-half of the instructional minutes offered per day in each grade for which Option Two Class Size Reduction funding was claimed.

(4) Review class schedules to ensure that the time that pupils spent in Option Two classes was primarily devoted to instruction in reading or mathematics.

(d) Class Size Reduction in districts or charter schools with only one school serving K-3:

For school districts or charter schools that maintain only one school that serves kindergarten and grades 1 through 3, verify that:

(1) The district or charter school claimed Class Size Reduction funding for not more than two classes per participating grade level,

(2) The pupil-to-teacher ratio did not exceed 22.4 to 1 in any class,

(3) The average class size of all classes participating in Class Size Reduction, combined, did not exceed 20.4, and

(4) The governing board made a public declaration that it exhausted all possible alternatives to averaging and was unable to achieve a pupil to teacher ratio of 20 to 1 in a way that is educationally acceptable.

(e) General requirements:

(1) For all sampled classes, and for classes claimed for Class Size Reduction funding in districts or charter schools with only one school serving kindergarten and grades 1 through 3, review the school level information used to complete the California Department of Education's reporting form. Verify that:

(A) classes claimed for funding were for pupils in kindergarten, or grades 1 to 3, inclusive;

(B) if only one grade level was reduced, it was grade 1;

(C) if two grade levels were reduced, they were grades 1 and 2; and

(D) priority was given to the reduction of classes in grades 1 and 2 before classes in kindergarten or grade 3 were reduced.

(2) For the sampled classes, verify that the district or charter school did not report to the California Department of Education on the Class Size Reduction reporting form:

(A) any classes consisting of special education pupils enrolled in special day classes on a full-time basis,

(B) any pupil who was enrolled in independent study or home study for the full regular school day,

(C) any pupil who was enrolled in independent study or home study for any portion of the full regular school day, for that portion of each day that the pupil was on independent study or home study, or

(D) any pupil enrolled in a Class Size Reduction combination class who was at a grade level ineligible for Class Size Reduction funding.

(3) For the sampled classes, verify that counts began on the first teaching day each class existed.

(4) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option One classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding unless the district operated an early-late instructional program pursuant to the provisions of Education Code Section 46205 prior to July 1, 1996.

(5) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option Two classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding.

(f) If any of the classes reported for Class Size Reduction funds is found to be ineligible for such funding pursuant to any of the foregoing audit procedures, or if any individual pupils in classes found to be eligible are found to have been ineligible because of their grade level(s) but to have been reported as eligible, or both, prepare a schedule, which must be presented as part of the Findings and Recommendations, summarizing the results of all procedures and presenting the noncompliant classes by grade level, number of classes, number of pupils incorrectly reported as eligible, and Class Size Reduction funding claimed on the basis of those pupils, including the data for each ineligible class only once, even if found to have been ineligible for Class Size Reduction funds in more than one of the steps in the audit procedures.

(g) Interview management regarding the district's staff development program.

(1) Verify that the staff development program required, as set forth in Education Code Section 52127, that any certificated teacher providing direct instruction to a class in the Class Size Reduction Program receive the appropriate training necessary to maximize the educational advantages of Class Size Reduction, including but not limited to methods for providing individualized instruction; effective teaching, including classroom management, in smaller classes; identifying and responding to student needs; and opportunities to build on the individual strengths of students.

(2) If the district did not have a staff development program as set forth in Education Code Section 52127, include a finding in the Findings and Recommendations section of the audit report showing the full amount of Class Size Reduction funding received as disallowed.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19845.1. Class Size Reduction.

For fiscal year 2004-05 through fiscal year 2007-08, perform the following audit steps:

If the school district or charter school received Class Size Reduction Program funding for the year audited, perform the following procedures, using daily averaging in all instances in which averaging is required.

(a) Verify the mathematical accuracy of the Class Size Reduction Program claim form submitted to the California Department of Education.

(b) Option One Classes

(1) Select a sample of classes from those that were certified as eligible for Option One Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option One classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available pupil and teacher assignment data to verify that the number of students reported as being under the immediate supervision of each assigned teacher for each class reported was the actual class size for a substantial majority of the full regular school day.

(c) Option Two Classes

(1) Select a sample of classes from those that were certified as eligible for Option Two Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option Two classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available data to ensure that the class size reported was the maximum actual class size for at least one-half of the instructional minutes offered per day in each grade for which Option Two Class Size Reduction funding was claimed.

(4) Review class schedules to ensure that the time that pupils spent in Option Two classes was primarily devoted to instruction in reading or mathematics.

(d) Class Size Reduction option for districts or charter schools with only one school serving K-3:

For school districts or charter schools that participate in Class Size Reduction pursuant to the provisions of subdivision (h) of Education Code Section 52122, verify that:

(1) The school had no more than two classes per participating grade level;

(2) The governing board made a public declaration as set forth in subdivision (h)(2) of Education Code Section 52122;

(3) The average class size of all classes participating in Class Size Reduction, combined, did not exceed 20.4, and

(4) The pupil-to-teacher ratio did not exceed 22.4 to 1 in any class.

(e) General requirements:

(1) For all sampled classes, and for classes claimed for Class Size Reduction funding in districts or charter schools with only one school serving kindergarten and grades 1 through 3, review the school level information used to complete the California Department of Education's reporting form. Verify that:

(A) classes claimed for funding were for pupils in kindergarten, or grades 1 to 3, inclusive;

(B) if only one grade level was reduced, it was grade 1;

(C) if two grade levels were reduced, they were grades 1 and 2; and

(D) priority was given to the reduction of classes in grades 1 and 2 before classes in kindergarten or grade 3 were reduced.

(2) For the sampled classes, verify that the district or charter school did not report to the California Department of Education on the Class Size Reduction reporting form:

(A) any classes consisting of special education pupils enrolled in special day classes on a full-time basis;

(B) any pupil who was enrolled in independent study or home study for the full regular school day;

(C) any pupil who was enrolled in independent study or home study for any portion of the full regular school day, for that portion of each day that the pupil was on independent study or home study; or

(D) any pupil enrolled in a Class Size Reduction combination class who was at a grade level ineligible for Class Size Reduction funding.

(3) For the sampled classes, verify that counts began on the first teaching day each class existed.

(4) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option One classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding unless the district operated an early-late instructional program pursuant to the provisions of Education Code Section 46205 prior to July 1, 1996.

(5) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option Two classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding.

(f) If any of the classes reported for Class Size Reduction funding is found to be ineligible for such funding pursuant to any of the foregoing audit procedures, or if any individual pupils in eligible classes are found to have been ineligible because of their grade level(s) but to have been included in the number of eligible pupils reported, or both, prepare, and include in the Findings and Recommendations section of the audit report, a schedule summarizing the results of all procedures and displaying the numbers of noncompliant classes by grade level, number of pupils incorrectly reported as eligible, and Class Size Reduction funding claimed on the basis of those classes and pupils. Include the data for each ineligible class only once, even if found to have been ineligible for Class Size Reduction funding in more than one of the steps in the audit procedures. Display information separately for classes with annual average enrollments determined, pursuant to the provisions of Education Code Section 52124.5, to be

(1) equal to or greater than 20.5 but less than 21.0, with a 20 percent reduction of the amount to which the district would otherwise be eligible for each such class;

(2) equal to or greater than 21.0 but less than 21.5, with a 40 percent reduction of the amount to which the district would otherwise be eligible for each such class;

(3) equal to or greater than 21.5 but less than 21.9, with an 80 percent reduction of the amount to which the district would otherwise be eligible for each such class; and

(4) equal to or greater than 21.9, with a 100 percent reduction of the amount to which the district would otherwise be eligible for each such class.

(g) Interview management regarding the district's staff development program.

(1) Verify that the staff development program required, as set forth in Education Code Section 52127, that any certificated teacher providing direct instruction to a class in the Class Size Reduction Program receive the appropriate training necessary to maximize the educational advantages of Class Size Reduction, including but not limited to methods for providing individualized instruction; effective teaching, including classroom management, in smaller classes; identifying and responding to student needs; and opportunities to build on the individual strengths of students.

(2) If the district did not have a staff development program as set forth in Education Code Section 52127, include a finding in the Findings and Recommendations section of the audit report showing the full amount of Class Size Reduction funding received as disallowed.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19845.2. Class Size Reduction.

For fiscal year 2008-09 through 2012-13 only, perform the following audit steps:

If the school district or charter school received Class Size Reduction Program funding for the year audited, perform the following procedures, using daily averaging in all instances in which averaging is required.

(a) Verify the mathematical accuracy of the Class Size Reduction Program claim form submitted to the California Department of Education.

(b) Option One Classes

(1) Select a sample of classes from those that were certified as eligible for Option One Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option One classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available pupil and teacher assignment data to verify that the number of students reported as being under the immediate supervision of each assigned teacher for each class reported was the actual class size for a substantial majority of the full regular school day.

(c) Option Two Classes

(1) Select a sample of classes from those that were certified as eligible for Option Two Class Size Reduction Program funding, using the following procedures:

(A) The number of classes to be reviewed shall be based on auditor judgment, but the selection of classes shall be made randomly.

(B) For each class selected, the sample shall include at least 15 days randomly selected from all instructional days that occurred between the first day of instruction and April 15, inclusive, of the year audited.

(C) If class size for the sampled classes was more than 20.4 when averaged over a period from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-depth review. The in-depth review shall be either of the following:

1. A review of all instructional days for all classes for which a district or charter school has requested funding pursuant to the provisions of Education Code Section 52126.

2. A randomly selected sample of all classes and instructional days, of sufficient size and designed in such a manner that the auditor can conclude, with a 95 percent degree of confidence, that the average daily class size for each class, when averaged over the period from the first day of instruction to April 15, did not exceed 20.4.

(D) The district or charter school shall make the determination as to which of the two in-depth review methods set forth in the immediately preceding subparagraph shall be used.

(2) For sampled classes, review the data used to prepare the list of Option Two classes reported to the California Department of Education, to verify that the report is supported by contemporaneous records.

(3) For sampled classes, review teacher assignments and other available data to ensure that the class size reported was the maximum actual class size for at least one-half of the instructional minutes offered per day in each grade for which Option Two Class Size Reduction funding was claimed.

(4) Review class schedules to ensure that the time that pupils spent in Option Two classes was primarily devoted to instruction in reading or mathematics.

(d) Class Size Reduction option for districts or charter schools with only one school serving K-3:

For school districts or charter schools that participate in Class Size Reduction pursuant to the provisions of subdivision (h) of Education Code Section 52122, verify that:

(1) The school had no more than two classes per participating grade level,

(2) The governing board made a public declaration as set forth in subdivision (h)(2) of Education Code Section 52122,

(3) The average class size of all classes participating in Class Size Reduction, combined, did not exceed 20.4, and

(4) The pupil to teacher ratio did not exceed 22.4 to 1 in any class.

(e) General requirements:

(1) For all sampled classes, and for classes claimed for Class Size Reduction funding in districts or charter schools with only one school serving kindergarten and grades 1 through 3, review the school level information used to complete the California Department of Education's reporting form. Verify that:

(A) classes claimed for funding were for pupils in kindergarten, or grades 1 to 3, inclusive;

(B) if only one grade level was reduced, it was grade 1;

(C) if two grade levels were reduced, they were grades 1 and 2; and

(D) priority was given to the reduction of classes in grades 1 and 2 before classes in kindergarten or grade 3 were reduced.

(2) For the sampled classes, verify that the district or charter school did not report to the California Department of Education on the Class Size Reduction reporting form:

(A) any classes consisting of special education pupils enrolled in special day classes on a full-time basis,

(B) any pupil who was enrolled in independent study or home study for the full regular school day,

- (C) any pupil who was enrolled in independent study or home study for any portion of the full regular school day, for that portion of each day that the pupil was on independent study or home study, or
- (D) any pupil enrolled in a Class Size Reduction combination class who was at a grade level ineligible for Class Size Reduction funding.
- (3) For the sampled classes, verify that counts began on the first teaching day each class existed.
- (4) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option One classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding unless the district operated an early-late instructional program pursuant to the provisions of Education Code Section 46205 prior to July 1, 1996.
- (5) If a district elected to reduce class size through the use of an early-late instructional program and claimed Class Size Reduction funding for Option Two classes, verify that it did not follow the provisions of Education Code Section 46205 when calculating instructional time used to qualify for Longer Instructional Day and Year incentive funding.
- (f) If any of the classes reported for Class Size Reduction funding is found to be ineligible for such funding pursuant to any of the foregoing audit procedures, or if any individual pupils in eligible classes are found to have been ineligible because of their grade level(s) but to have been included in the number of eligible pupils reported, or both, prepare, and include in the Findings and Recommendations section of the audit report, a schedule summarizing the results of all procedures and displaying the numbers of noncompliant classes by grade level, number of pupils incorrectly reported as eligible, and Class Size Reduction funding claimed on the basis of those classes and pupils. Include the data for each ineligible class only once, even if found to have been ineligible for Class Size Reduction funding in more than one of the steps in the audit procedures. Display information separately for classes with annual average enrollments determined, pursuant to the provisions of Education Code Section 52124.5, to be
- (1) equal to or greater than 20.5 but less than 21.5, with a 5 percent reduction of the amount to which the district would otherwise be eligible for each such class;
- (2) equal to or greater than 21.5 but less than 22.5, with a 10 percent reduction of the amount to which the district would otherwise be eligible for each such class;
- (3) equal to or greater than 22.5 but less than 23, with a 15 percent reduction of the amount to which the district would otherwise be eligible for each such class; and
- (4) equal to or greater than 23 but less than 25, with a 20 percent reduction of the amount to which the district would otherwise be eligible for each such class; and
- (5) equal to or greater than 25, with a 30 percent reduction of the amount to which the district would otherwise be eligible for each such class.
- (g) Interview management regarding the district's staff development program.
- (1) Verify that the staff development program required, as set forth in Education Code Section 52127, that any certificated teacher providing direct instruction to a class in the Class Size Reduction Program receive the appropriate training necessary to maximize the educational advantages of Class Size Reduction, including but not limited to methods for providing individualized instruction; effective teaching, including classroom management, in smaller classes; identifying and responding to student needs; and opportunities to build on the individual strengths of students.
- (2) If the district did not have a staff development program as set forth in Education Code Section 52127, include a finding in the Findings and Recommendations section of the audit report showing the full amount of Class Size Reduction funding received as disallowed.
- Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19846. After School Education and Safety Program.

For fiscal years 2007-08 through 2010-11, if the local education agency received After School Education and Safety funds, perform the following procedures:

- (a) If the local education agency operated an after-school program component:
- (1) Determine whether the local education agency established a policy regarding reasonable early daily release of pupils from the program.
- (2) Select a representative sample of schools for each program type, as that term is used in the attendance report, for which data was reported to the California Department of Education for the after school base grant program. Determine whether the reported number of students served, as that term is used in the report, for each selected school is supported by written records that document pupil participation, by tracing the reported numbers through any documentation used to summarize the numbers of students served, to written data origination documentation.

(3) For each school selected pursuant to subparagraph (a)(2) of this section, determine whether the after-school program commenced every day immediately upon the conclusion of the regular schoolday, operated a minimum of 15 hours per week, and operated until at least 6:00 p.m. every regular schoolday, by reviewing, for example, local policies and procedures, program staffing schedules, sign in/out sheets, program brochures, and other relevant documentation.

(4) For each school selected pursuant to subparagraph (a)(2) of this section, determine whether elementary school pupils participated in the full day of the after-school program on every day during which pupils participated, and determine whether pupils in middle or junior high schools attended the after-school program a minimum of nine hours a week or three days a week, except as consistent with the established early release policy.

(5) If any noncompliance is found through the foregoing procedures, include a statement in the Findings and Recommendations section of the audit report, stating that the local education agency did not have a policy on reasonable early daily release from the after-school program, if that is the case, and including discrepancies, if any, between the reported numbers of students served and the totals arising from the supporting documentation; failure to operate consistent with the days/hours requirements set forth in subparagraph (a)(3) of this section, if any; and the portion of reported students served that resulted from attendance, inconsistent with the established early release policy, by elementary school pupils for less than the full day of the after-school program, and from attendance by middle or junior high school pupils for less than nine hours a week or fewer than three days a week, if any.

(b) If the local education agency operated a before-school program component:

(1) Determine whether the local education agency established a policy regarding reasonable late daily arrival of pupils to the program.

(2) Select a representative sample of schools for each program type, as that term is used in the attendance report, for which data was reported to the California Department of Education for the before-school base grant program. Determine whether the reported number of students served, as that term is used in the report, for each selected school is supported by written records that document pupil participation, by tracing the reported numbers through any documentation used to summarize the numbers of students served, to written data origination documentation.

(3) For each school selected pursuant to subparagraph (b)(2) of this section,

(A) Determine whether the local education agency operated the before-school program for not less than one and one-half hours per regular schoolday, by reviewing, for example, local policies and procedures, program staffing schedules, sign in/out sheets, program brochures, and other relevant documentation.

(B) Determine whether attendance by pupils for less than one-half of the daily program hours was included in the report of students served.

(4) For each school selected pursuant to subparagraph (b)(2) of this section, determine whether elementary school pupils participated in the full day of the before-school program on every day during which pupils participated, and determine whether pupils in middle or junior high schools attended the before-school program a minimum of six hours a week or three days a week, except as consistent with the late arrival policy.

(5) If any noncompliance is identified through the foregoing procedures, include a statement in the Findings and Recommendations section of the audit report, stating that the local education agency did not have a policy on reasonable late daily arrival of pupils to the before-school program, if that is the case, and including discrepancies, if any, between the reported numbers of students served and the totals arising from the supporting documentation; failure to operate for the required hours each schoolday as set forth in subparagraph (b)(3)(A) of this section, if any; and the portion of reported students served that resulted from attendance, inconsistent with the established late arrival policy, by elementary school pupils for less than the full day of the before-school program, and by middle or junior high school pupils for less than six hours a week or fewer than three days a week, if any.

(c) General requirements:

(1) Verify that the local education agency contributed cash or in-kind local funds, equal to not less than one-third of the total state grant, which may have originated from the school district, other governmental agencies, community organizations, or the private sector. Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

(2) Review program expenditures by performing the following procedures:

(A) Verify that expenditures of state funds for indirect costs were the lesser of the local education agency's indirect cost rate as approved by the California Department of Education for the year audited, or 5 percent of the state funding received.

(B) Verify that not more than 15 percent of the state funding was expended for administrative costs, including indirect costs charged to the program.

(C) Verify that not less than 85 percent of the state funding was allocated to schoolsites for direct services to pupils.

(3) If the local education agency did not meet the minimum cash or in-kind local contribution requirement, spent state program funding on excess indirect costs or on excess administrative costs, provided an insufficient allocation to schoolsites, or any combination of the foregoing, include a finding in the Findings and Recommendations section of the audit report stating, correspondingly, the amount of the local match requirement, the amount by which the local education agency failed to meet the match requirement, the excess amount of the local match requirement fulfilled through facilities or space usage, the amount(s) inappropriately spent, and the amount of the insufficiency in schoolsite allocations.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 8482.3, 14502.1, 14503 and 41020, Education Code.

§ 19846.1. After School Education and Safety Program.

For fiscal years 2011-12 and following, if the local education agency received After School Education and Safety funds, perform the following audit steps:

(a) If the local education agency operated an after school program component:

(1) Determine whether the local education agency established a policy regarding reasonable early daily release of pupils from the program.

(2) Select a representative sample of schools for each program type, as that term is used in the attendance report, for which data was reported to the California Department of Education for the after school base grant program. Determine whether the reported number of students served, as that term is used in the report, for each selected school is supported by written records that document pupil participation, by tracing the reported numbers through any documentation used to summarize the numbers of students served, to written data origination documentation.

(3) For each school selected pursuant to subparagraph (a)(2) of this section, determine whether the after school program commenced every day immediately upon the conclusion of the regular schoolday, operated a minimum of 15 hours per week, and operated until at least 6:00 p.m. every regular schoolday as specified in Education Code Section 8483(a)(1), by reviewing, for example, local policies and procedures, program staffing schedules, sign in/out sheets, program brochures, and other relevant documentation.

(4) For each school selected pursuant to subparagraph (a)(2) of this section, determine whether pupils reported on the report of students served attended a full day of the after school program; or if any pupil attended less than the full day, the attendance was consistent with the established early release policy.

(5) For each middle or junior high school selected pursuant to subparagraph (a)(2) of this section, determine whether the local education agency has a process or procedure that gives priority for enrollment to pupils who attend daily.

(6) If any noncompliance is found through the foregoing procedures, include a statement in the Findings and Recommendations section of the audit report, stating

(A) that the local education agency did not have a policy on reasonable early daily release from the after school program, if that is the case;

(B) discrepancies, if any, between the reported numbers of students served and the totals arising from the supporting documentation;

(C) failure to operate consistent with the days/hours requirements set forth in subparagraph (a)(3) of this section, if any;

(D) the portion of reported students served that resulted from attendance of less than a full day that was inconsistent with the established early release policy, if any; and

(E) that the local education agency did not have a process or procedure in place that gives enrollment priority to pupils in middle school or junior high school who attend daily, if that is the case.

(b) If the local education agency operated a before school program component:

(1) Determine whether the local education agency established a policy regarding reasonable late daily arrival of pupils to the program.

(2) Select a representative sample of schools for each program type, as that term is used in the attendance report, for which data was reported to the California Department of Education for the before school base grant program. Determine whether the reported number of students served, as that term is used in the report, for each selected school is supported by written records that document pupil participation, by tracing the reported numbers through any documentation used to summarize the numbers of students served, to written data origination documentation.

(3) For each school selected pursuant to subparagraph (b)(2) of this section,

(A) Determine whether the local education agency operated the before school program for not less than one and one-half hours per regular schoolday as specified in Education Code Section 8483.1(a)(1), by reviewing, for example, local policies and procedures, program staffing schedules, sign in/out sheets, program brochures, and other relevant documentation.

(B) Determine whether attendance by pupils for less than one-half of the daily before school program hours was included in the report of students served.

(C) Determine for any pupils reported on the report of students served who attended for one-half day or more but less than the full day, whether the attendance was consistent with the established late arrival policy.

(4) For each middle or junior high school selected pursuant to subparagraph (b)(2) of this section, determine whether the local education agency has a process or procedure that gives priority for enrollment for pupils who attend daily.

(5) If any noncompliance is identified through the foregoing procedures, include a statement in the Findings and Recommendations section of the audit report, stating

(A) that the local education agency did not have a policy on reasonable late daily arrival of pupils to the before school program, if that is the case;

(B) discrepancies, if any, between the reported numbers of students served and the totals arising from the supporting documentation;

(C) failure to operate for the required hours each schoolday as set forth in subparagraph (b)(3)(A) of this section, if any;

(D) the portion of reported students served that resulted from attendance, by pupils attending less than one-half of the daily program hours, if any;

(E) the portion of reported students served that resulted from attendance by pupils who attended for one-half day or more but less than the full day and did not attend consistent with the established late arrival policy;

(F) that the local education agency did not have a process or procedure in place that gives enrollment priority to pupils in middle school or junior high school who attend daily.

(c) General requirements:

(1) Verify that the local education agency contributed cash or in-kind local funds, equal to not less than one-third of the total state grant, which may have originated from the school district, other governmental agencies, community organizations, or the private sector. Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

(2) Review program expenditures by performing the following procedures:

(A) Verify that expenditures of state funds for indirect costs were the lesser of the local education agency's indirect cost rate as approved by the California Department of Education for the year audited, or 5 percent of the state funding received.

(B) Verify that not more than 15 percent of the state funding was expended for administrative costs, including indirect costs charged to the program.

(C) Verify that not less than 85 percent of the state funding was allocated to schoolsites for direct services to pupils.

(3) If the local education agency did not meet the minimum cash or in-kind local contribution requirement, spent state program funding on excess indirect costs or on excess administrative costs, provided an insufficient allocation to schoolsites, or any combination of the foregoing, include a finding in the Findings and Recommendations section of the audit report stating, correspondingly, the amount of the local match requirement, the amount by which the local education agency failed to meet the match requirement, the excess amount of the local match requirement fulfilled through facilities or space usage, the amount(s) inappropriately spent, and the amount of the insufficiency in schoolsite allocations.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 8482.3, 14502.1, 14503 and 41020, Education Code.

§ 19847. Proper Expenditure of Education Protection Account Funds.

(a) Verify that funds provided from the Education Protection Account have been properly disbursed and expended as required by law.

(b) If the school district, county office of education, or charter school was not in compliance with the requirements set forth in audit procedure (a) of this section, report the noncompliance as a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Cal. Const., Art. XIII, Section 36(e)(7), Section 14502.1, Education Code. Reference: Cal. Const., Art. XIII, Section 36(e), Sections 14502.1, 14503 and 41020, Education Code.

§ 19848. Common Core Implementation Funds.

If the LEA had any expenditures from the Common Core State Standard (CCSS) implementation funds, perform the following:

(a) Determine whether the LEA developed and adopted a plan delineating how the CCSS implementation funds will be spent and that the plan was explained in a public meeting of the governing board of the school district, county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.

(b) Select a sample of CCSS expenditures and verify they were for qualifying expenditures as provided in (d) of Section 85, AB 86 (Chapter 48, Statutes of 2013) of the Budget Act of 2013. Qualifying expenditures include:

(1) Professional development for teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the academic content standards adopted pursuant to sections 60605.8, 60605.11, and 60605.85 of the Education Code, and former Education Code Section 60811.3 as that section read until June 30, 2013.

(2) Instructional materials aligned to the academic content standards adopted pursuant to sections 60605.8, 60605.11, and 60605.85 of the Education Code, and former Education Code Section 60811.3 as that section read until June 30, 2013, including, but not limited to, supplemental instructional materials as provided in sections 60605.86, 60605.87, and 60605.88 of the Education Code.

(3) Integration of these academic content standards through technology-based instruction for purposes of improving the academic performance of pupils, including, but not necessarily limited to, expenditures necessary to support the administration of computer-based assessments and provide high-speed, high-bandwidth Internet connectivity for the purpose of administration of computer-based assessments.

(c) If the LEA was not in compliance with the requirements set forth in subdivision (a) of this section, report the noncompliance in a finding, and recommend the LEA return the CCSS implementation funds or develop and adopt a plan as required. If any expenditure of CCSS funds are found to have been made for non-qualifying purposes and the LEA does not agree to make a correcting journal entry, include a finding in the Findings and Recommendations section of the audit report stating the amount inappropriately expended.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

§ 19849. Unduplicated Local Control Funding Formula Pupil Counts.

(a) Obtain a copy of the LEA's certified "1.17—FRPM/English Learner/Foster Youth—Count" report. For every school tested for attendance in Section 19817.2 or Section 19850, obtain a copy of the school's certified "1.18—FRPM/English Learner/Foster Youth—Student List" report. For each student list obtained:

(1) Select a representative sample, to achieve a high level of assurance, from the students indicated as a "No" under the "Direct Certification" column, that are only free or reduced priced meal eligible (FRPM) identified under the "NSLP Program" column and verify there is supporting documentation such as a Free and Reduced Price Meal (FRPM) eligibility application under a federal nutrition program or an alternative household income data collection form that indicates the student was eligible for the designation.

(2) Select a representative sample, to achieve a high level of assurance, from the students that are only English Learner (EL) eligible as identified under the "ELAS Designation" column and verify there is supporting documentation that indicates the student was eligible for the designation.

(3) Select a representative sample, to achieve a high level of assurance, from the students indicated as a "No" under the "Direct Certification" column, that are both included in the "NSLP Program" column and the "ELAS Designation" column and verify that there is supporting documentation for at least one of the designations as required by steps (a)(1) or (a)(2).

(b) For any errors noted in testing procedures described in subdivision (a), determine the total impact of that error on the specific section tested and the individual school site. This determination should be made either by an extrapolation of the impact of the error, further audit procedures, or testing of 100 percent of the population where the error was discovered.

(c) Based on the results of the procedures described in subdivisions (a) and (b), select additional schools as deemed necessary, e.g., if similar errors of inaccuracy or miscalculation would be likely to produce material results in those schools, and perform these procedures on each additional school.

(d) If any of the unduplicated pupil counts were inappropriately reported, prepare a finding and report the method for determining the total impact of the finding on the LEA, and include a schedule of unduplicated pupil counts summarizing the results of the procedures and displaying any inappropriately reported unduplicated pupil counts and the estimated dollar impact in the Findings and Recommendations section of the audit report. The schedule should include the LEA's certified total unduplicated pupil count and enrollment count as reported in the California Longitudinal Pupil Achievement Data System (CalPADS), show increases or decreases to the unduplicated pupil count based on any audit adjustments by including the following: unduplicated pupil count adjustment based on eligibility for FRPM; unduplicated pupil count adjustment based on eligibility for EL funding; unduplicated pupil count adjustment based on eligibility for both FRPM and EL; and the adjusted total unduplicated pupil count and enrollment counts of each school tested and of the entire LEA.

(e) Charter schools should be presented separately and should not be combined with district or county office of education (COE) data on this schedule. For COEs and charter schools that operate COE programs, separately report pupils funded pursuant to Education Code Section 2574(c)(4)(A), juvenile court pupils funded pursuant to Education Code Section 2574(c)(4)(B), and all other pupils. For COEs, the district of residence needs to be identified for pupils in the "all other pupils" category.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B) and 41020, Education Code.

Chapter 3. Audits of California K-12 Local Education Agencies

Article 4. State Compliance Procedures: Charter Schools

§ 19850. Contemporaneous Records of Attendance.

(a) Determine whether the Second Principal and Annual reports of attendance submitted to the California Department of Education are supported by written contemporaneous records that document all pupil attendance included in the charter school's Average Daily Attendance calculations, by tracing the Average Daily Attendance numbers from the Second Principal and Annual reports of attendance through any documentation used by the charter school to summarize attendance, to written contemporaneous data origination documents.

(b) Determine whether the charter school calculated Average Daily Attendance in accordance with Education Code Section 47612 and Title 5 of the California Code of Regulations, Section 11960.

(1) Verify that the Average Daily Attendance as reported on the Second Principal and Annual reports of attendance were computed by dividing the charter school's total number of pupil days of attendance by the number of calendar days on which school was taught in the charter school through the Second Principal and Annual apportionment periods.

(2) Verify that for purposes of determining the charter school's total number of pupil days of attendance, no pupil generated more than one day of attendance in a calendar day.

(3) Verify that the number of calendar days of attendance used in the divisor corresponds to the school calendar.

(4) If the charter school operates a multi-track calendar, verify that the charter school operated the multi-track in accordance with Education Code Section 47612:

(A) Verify that Average Daily Attendance was calculated separately for each track. The divisor in the calculation shall be the calendar days in which school was taught for pupils in each track.

(B) Verify that the charter school operated no more than five tracks.

(C) Verify that the charter school operated each track for a minimum of 175 days. Pursuant to Education Code Section 46201.2, for the 2013-14 and 2014-15 fiscal years, days of instruction may be reduced by 5 days, from 175 to 170 days, without incurring penalty. If the charter school is a conversion school that had operated a multi-track year-round schedule, the charter school was authorized to continue its previous schedule as long as it provided no fewer than 163 days of instruction in each track.

(D) For each track, verify that the charter school provided the total number of instructional minutes, as specified in Section 47612.5.

(E) Verify that no track had less than 55 percent of its schooldays before April 15.

(F) Unless otherwise authorized by statute, verify that no pupil generated more than one unit of average daily attendance in a fiscal year.

(5) For any pupil over the age of 19 years that generated attendance for apportionment purposes in the charter school, verify the pupil met both of the following conditions, unless the charter school program is as specified in Education Code Section 47612.1:

(A) The pupil was enrolled in a public school in pursuit of a high school diploma (for a student in special education, an individualized education program (IEP)) while 19 years of age and, without a break in public school enrollment since that time, is enrolled in the charter school and is making satisfactory progress towards award of a high school diploma (for a student in special education, satisfactory progress in keeping with an IEP) consistent with the definition of satisfactory progress set forth in subdivision (h) of section 11965.

(B) The pupil is not over the age of 22 years.

(c) Trace the number of school days reported on the Annual attendance report to the school calendar to confirm the number of days reported.

(d) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

(e) If the number of school days reported on the Annual attendance report is incorrectly reported as determined in division (c) above, include a finding in the Findings and Recommendations section of the audit report and include the correct number of school days taught in the fiscal year. If the charter school operates multiple tracks, report the finding by individual tracks.

Note: Authority cited: Sections 14502.1 and 47612, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2, Education Code.

§ 19851. Mode of Instruction.

(a) If Average Daily Attendance was reported to the California Department of Education by the charter school as generated through classroom-based instruction, determine whether that attendance was generated in compliance with all of the following conditions: (1) The charter school's pupils were engaged in educational activities required of those pupils, and the pupils were under the immediate supervision and control of an employee of the charter school who possessed a valid teaching certification in accordance with the provisions of subdivision (f) of Education Code Section 47605.

(2) At least 80 percent of the instructional time offered at the charter school was at the schoolsite. The requirement to be "at the schoolsite" is satisfied if either of the conditions set forth in subdivision (b) of Section 11963 is met.

(3) The charter school's schoolsite was a facility that was used principally for classroom instruction as that term is defined in subdivision (b)(1) of Section 11963.

(4) The charter school required its pupils to be in attendance at the schoolsite at least 80 percent of the minimum instructional time required pursuant to the provisions of subdivision (a)(1) of Education Code Section 47612.5, as set forth below for fiscal years 2005-06 through 2008-09:

| | |
|---------------------|----------------|
| Kindergarten | 36,000 minutes |
| Grades 1 through 3 | 50,400 minutes |
| Grades 4 through 8 | 54,000 minutes |
| Grades 9 through 12 | 64,800 minutes |

For fiscal years 2009-10 and 2010-11, and fiscal years 2012-13 through 2014-15, the minimum instructional time is reduced pursuant to the provisions of Education Code Section 46201.2 as set forth below:

| | |
|---------------------|----------------|
| Kindergarten | 34,971 minutes |
| Grades 1 through 3 | 48,960 minutes |
| Grades 4 through 8 | 52,457 minutes |
| Grades 9 through 12 | 62,949 minutes |

(b) If any Average Daily Attendance reported to the California Department of Education as classroom-based instruction was not generated in compliance with all of the preceding conditions, it is not eligible for apportionments unless it was generated in full compliance with the requirements set forth in Section 19852. If it was not generated in full compliance with the requirements set forth in Section 19852, state in a finding the number(s) of units of Average Daily Attendance, by grade span, that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2, Education Code.

§ 19851.1. Mode of Instruction.

For fiscal year 2011-12 only, perform the following procedures:

(a) If Average Daily Attendance was reported to the California Department of Education by the charter school as generated through classroom-based instruction, determine whether that attendance was generated in compliance with all of the following conditions:

(1) The charter school's pupils were engaged in educational activities required of those pupils, and the pupils were under the immediate supervision and control of an employee of the charter school who possessed a valid teaching certification in accordance with the provisions of subdivision (f) of Education Code Section 47605.

(2) At least 80 percent of the instructional time offered at the charter school was at the schoolsite. The requirement to be "at the schoolsite" is satisfied if either of the conditions set forth in subdivision (b) of Section 11963 is met.

(3) The charter school's schoolsite was a facility that was used principally for classroom instruction as that term is defined in subdivision (b)(1) of Section 11963.

(4) The charter school required its pupils to be in attendance at the schoolsite at least 80 percent of the minimum instructional time required pursuant to the provisions of subdivision (a)(1) of Education Code Section 47612.5, reduced pursuant to the provisions of Education Code sections 46201.2, and 46201.3, as set forth below:

| | |
|---------------------|----------------|
| Kindergarten | 33,531 minutes |
| Grades 1 through 3 | 46,944 minutes |
| Grades 4 through 8 | 50,297 minutes |
| Grades 9 through 12 | 60,357 minutes |

(b) If any Average Daily Attendance reported to the California Department of Education as classroom-based instruction was not generated in compliance with all of the preceding conditions, it is not eligible for apportionments unless it was generated in full compliance with the requirements set forth in Section 19852. If it was not generated in full compliance with the requirements set forth in Section 19852, include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2, Education Code.

§ 19852. Nonclassroom-Based Instruction/Independent Study.

If Average Daily Attendance was reported by the charter school to the California Department of Education as generated through nonclassroom-based instruction (independent study), or was reported as generated through classroom-based instruction but was not generated in compliance with all of the conditions set forth in subdivision (a) of Section 19851, perform the following procedures:

(a) Determine whether the governing body of the charter school had adopted written policies for independent study as required by the provisions of Education Code Section 51747. If it had not, any reported Average Daily Attendance generated through independent study is not eligible for apportionment. If the required policies were in place, determine whether any reported Average Daily Attendance was generated before the written policies were adopted. Any reported Average Daily Attendance generated through independent study before the written policies were adopted is not eligible for apportionment.

(b) Verify the charter school's calculation, made pursuant to Section 11704, of ineligible Average Daily Attendance, if any, generated through full-time independent study.

(c) Verify that the documentation used by the charter school to summarize monthly attendance provides accurate information. If the charter school had multiple sites through which it provided independent study, select a sample of school sites that is representative of the charter school's elementary, middle, and high school sites, and sufficient in size to allow the auditor to draw a reasonable conclusion with respect to the charter school's compliance with independent study requirements. Perform the following procedures:

(1) Determine the total number of days of attendance reported for each sampled site that resulted from attendance by pupils while engaged in independent study. Reconcile the monthly totals (days of apportionment attendance) on the site's attendance summary to the summary maintained by the charter school for the Second Principal attendance report.

(2) Select a test month in the Second Principal attendance reporting period. Verify the mathematical accuracy of the monthly report, or its equivalent if no monthly report is prepared, and trace totals to the site's attendance summary.

(3) Verify that a certificated employee of the charter school, as defined by Section 11700.1, coordinated, evaluated, and provided general supervision, as that term is defined in Section 11700(b), of each pupil's independent study, as required by the provisions of subdivision (a) of Education Code Section 51747.5.

(4) Select a representative sample of teachers. Verify the mathematical accuracy of the teachers' attendance records of pupil attendance. Trace the monthly totals from the monthly report to the attendance records.

(d) From the attendance records, select a representative sample of pupils for whom Average Daily Attendance generated through independent study was claimed, including pupils on intermittent ("short term") independent study, if the charter school offered that option, and perform the following procedures:

(1) Determine each pupil's county of residence at the time of commencing independent study and verify that it is the county in which the apportionment claim is reported or a contiguous county within California.

(2) Determine whether mailing addresses or other evidence of residency changed during the time the pupils were in independent study and, if so, whether each pupil remained a resident of the same or a contiguous county within California.

(3) Verify that, on each day for which a pupil's attendance was reported, the pupil engaged in an educational activity or activities required of him or her by the charter school.

(4) Verify that each day of each pupil's attendance included in calculations of Average Daily Attendance took place on one of the charter school's schooldays.

(5) Verify that a total of not more than one day of attendance was recorded for each pupil for any calendar day on which school was in session.

(6) Verify that a written agreement exists for each pupil.

(7) Verify that every written agreement contained all the elements required by the provisions of Education Code Section 51747(c):

(A) The manner, time, frequency, and place for submitting a pupil's assignments and for reporting his or her progress.

(B) The objectives and methods of study (pupil activities selected by the supervising teacher as the means to reach the educational objectives set forth in the written agreement) for the pupil's work.

(C) The methods utilized to evaluate that work (any specified procedure through which a certificated teacher personally assesses the extent to which achievement of the pupils meets the objectives set forth in the written assignment).

(D) The specific resources, including materials and personnel, to be made available to the pupils (resources reasonably necessary to the achievement of the objectives in the written agreement, not to exclude resources normally available to all pupils on the same terms as the terms on which they are normally available to all pupils).

(E) A statement of the following two policies adopted pursuant to subdivisions (a) and (b) of Education Code Section 51747:

1. The maximum length of time allowed between the assignment and the completion of a pupil's assigned work; and

2. The number of assignments a pupil may miss before there must be an evaluation of whether it is in the pupil's best interests to continue in independent study.

(F) The duration of the independent study agreement, including the beginning and ending dates for the pupil's participation in independent study under the agreement, with no agreement being for a period longer than one semester, or one half year for a school on a year-round calendar.

(G) A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.

(H) A statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate.

(I) Signatures, affixed prior to the commencement of independent study, by

1. the pupil;

2. the pupil's parent, legal guardian, or caregiver as that term is used in Family Code Section 6550 and following, if the pupil was less than 18 years of age;

3. the certificated employee who was designated as having responsibility for the general supervision of the pupil's independent study; and

4. all other persons, if any, who had direct responsibility for providing assistance to the pupil.

(8) Verify that no days of attendance were reported for dates prior to the signing of the agreement by all parties.

(9) Verify that evaluated pupil work samples, bearing signed or initialed and dated notations by the supervising teacher indicating that he or she personally evaluated the work, or that he or she personally reviewed the evaluations made by another certificated teacher, have been retained in the file.

(e) Calculate any inappropriately reported units of Average Daily Attendance, by grade span, identified through the foregoing audit procedures. State in a finding the number(s) of units of Average Daily Attendance that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2, Education Code.

§ 19853. Determination of Funding for Nonclassroom Based Instruction.

If more than 20 percent of the charter school's total Average Daily Attendance was generated through nonclassroom-based instruction (independent study) as set forth in Section 19852, perform the following procedures:

(a) Determine whether the charter school has

(1) a multi-year funding determination, made pursuant to the provisions of subdivision (d) of Education Code Section 47612.5 and of Section 47634.2, that applies to the year being audited and that was granted in a year prior to the year being audited, or
(2) a funding determination otherwise applicable to the year audited.

(b) If the charter school does not have either type of funding determination specified in subdivision (a) of this section, the charter school was not eligible for funding for any Average Daily Attendance generated through nonclassroom-based instruction. Include a statement in the Findings and Recommendations section of the audit report of the number of units of Average Daily Attendance, by grade span, that were inappropriately reported for apportionment and an estimate of their dollar value. If there are any ungraded units of Average Daily Attendance, then proportionately allocate the disallowance among the grade spans.

(c) If the charter school has a funding determination as specified in subdivision (a)(2) of this section, and the charter school was in operation in the fiscal year prior to the year being audited, verify the accuracy of the following data submitted by the charter school to the California Department of Education on the nonclassroom-based funding determination form applicable to the year being audited:

(1) The charter school's federal revenues, including start-up, implementation, and dissemination grant(s); state revenues; local revenues, including in lieu of property taxes; and other financing sources.

(2) The charter school's total expenditures for instruction and related services.

(3) The charter school's total expenditures for salaries and benefits for all certificated employees as defined in subdivision (c)(1) of Section 11963.3.

(4) The charter school's pupil-teacher ratio calculated pursuant to Section 11704, and, if submitted, the pupil-teacher ratio of the largest unified school district in the county or counties in which the charter school operates.

(5) The listing of entities that received, in the previous fiscal year, \$50,000 or more or ten (10) percent or more of the charter school's total expenditures identified pursuant to subparagraphs (B), (C), (D), and (E) of subdivision (a)(5) of Section 11963.3; the amount received by each entity; whether each of any such contract payments was based upon specific services rendered or upon an amount per unit of Average Daily Attendance or some other percentage; and an identification of which entities, if any, had contracts that included provision for payments based on a per unit of Average Daily Attendance amount or some other percentage.

(d) If any inaccurate data is identified through the immediately foregoing audit procedures, prepare a schedule displaying the inaccurate data and the corresponding correct data. Include the schedule in the Findings and Recommendations section of the audit report.

(e) If a funding determination applicable to the year audited was made for the charter school by the State Board of Education, pursuant to the provisions of Education Code Section 47634.2, confirm that the governing board of the charter school has adopted and implemented conflict of interest policies as required by subdivision (b)(1)(C) of Section 11963.3. If the governing board of the charter school has not adopted, or has adopted but has not implemented, conflict of interest policies as required, include a statement in the Findings and Recommendations section of the audit report that states the policies were not adopted, if that is the case; or that the policies were not implemented, if that is the case, and describes the relevant facts.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020 and 47634.2, Education Code.

§ 19854. Annual Instructional Minutes—Classroom Based.

For fiscal year 2011-12 only, do not perform the procedures set forth in this section. Perform the procedures set forth in Section 19854.1 instead.

(a) Review the charter school's attendance calendar and bell (class) schedules or other available comparable documentation. If the charter school has multiple sites, select a sample of school sites that is representative of the charter school's grade spans (elementary, middle, and high schools).

(b) For each sampled site, compare the amount of instructional minutes offered for each grade level during the year being audited to the amount of instructional minutes required pursuant to the provisions of subdivision (a)(1) of Education Code Section 47612.5 as set forth below for fiscal years 2005-06 through 2008-09:

| | |
|---------------------|----------------|
| Kindergarten | 36,000 minutes |
| Grades 1 through 3 | 50,400 minutes |
| Grades 4 through 8 | 54,000 minutes |
| Grades 9 through 12 | 64,800 minutes |

For fiscal years 2009-10 and 2010-11, and fiscal years 2012-13 through 2014-15, the minimum instructional time is reduced pursuant to the provisions of Education Code Section 46201.2 and consistent with subdivision (a) of Education Code Section 46201.3, as set forth below:

| | |
|---------------------|----------------|
| Kindergarten | 34,971 minutes |
| Grades 1 through 3 | 48,960 minutes |
| Grades 4 through 8 | 52,457 minutes |
| Grades 9 through 12 | 62,949 minutes |

(c) Determine whether the charter school offered optional classes to satisfy instructional minutes requirements. If enrollment in optional classes was low, review the charter school's documentation of class offerings to ensure that the charter school acted effectively to comply with the law. Practices that are not consistent with effectively offering instructional time may include, but are not limited to, offering only a small number of courses that in addition are appropriate only for limited numbers of pupils, and courses scheduled such that pupils may take them only by giving up their lunch period.

(d) Prepare the "Schedule of Instructional Time" that must be presented in the Supplementary Information section of the audit report, showing by grade span the minimum instructional minutes requirements specified in subdivision (a)(1) of Education Code Section 47612.5 for fiscal years 2005-06 through 2008-09, or for fiscal years 2009-10 and 2010-11, and fiscal years 2012-13 through 2014-15, the minimum instructional time as reduced pursuant to the provisions of Education Code Section 46201.2 as set forth in subparagraph (b) of this section, the instructional minutes offered during the year being audited showing the sampled site with the lowest number of minutes offered at each grade span; and whether the charter school complied with the instructional minutes provisions.

(e) If the charter school did not offer the required number(s) of instructional minutes, prepare a separate schedule for each site, showing only the grade level(s) that were not in compliance, and calculate a proportional reduction in apportionment consistent with the provisions of subdivision (c) of Education Code Section 47612.5. Include both the schedule(s) and the calculated reduction in apportionment, in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2. Education Code.

§ 19854.1. Annual Instructional Minutes—Classroom Based.

For fiscal year 2011-12 only, perform the following procedures:

(a) Review the charter school's attendance calendar and bell (class) schedules or other available comparable documentation. If the charter school has multiple sites, select a sample of school sites that is representative of the charter school's grade spans (elementary, middle, and high schools).

(b) For each sampled site, compare the amount of instructional minutes offered for each grade level during the year being audited to the amount of instructional minutes required pursuant to the provisions of subdivision (a)(1) of Education Code Section 47612.5, reduced pursuant to the provisions of Education Code sections 46201.2 and 46201.3, as set forth below:

| | |
|---------------------|----------------|
| Kindergarten | 33,531 minutes |
| Grades 1 through 3 | 46,944 minutes |
| Grades 4 through 8 | 50,297 minutes |
| Grades 9 through 12 | 60,357 minutes |

(c) Determine whether the charter school offered optional classes to satisfy instructional minutes requirements. If enrollment in optional classes was low, review the charter school's documentation of class offerings to ensure that the charter school acted effectively to comply with the law. Practices that are not consistent with effectively offering instructional time may include, but are not limited to, offering only a small number of courses that in addition are appropriate only for limited numbers of pupils, and courses scheduled such that pupils may take them only by giving up their lunch period.

(d) Prepare the "Schedule of Instructional Time" that must be presented in the Supplementary Information section of the audit report, showing by grade span the minimum instructional minutes requirements specified in subdivision (a)(1) of Education Code Section 47612.5 as reduced pursuant to the provisions of Education Code sections 46201.2 and 46201.3 as set forth in subparagraph

(b) of this section, the instructional minutes offered during the year being audited showing the sampled site with the lowest number of minutes offered at each grade span; and whether the charter school complied with the instructional minutes provisions.

(c) If the charter school did not offer the required number(s) of instructional minutes, prepare a separate schedule for each site, showing only the grade level(s) that were not in compliance, and calculate a proportional reduction in apportionment consistent with the provisions of subdivision (c) of Education Code Section 47612.5. Include both the schedule(s) and the calculated reduction in apportionment, in a finding in the Findings and Recommendations section of the audit report.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2. Education Code.

~~§ 19855. Charter School Facility Grant Program.~~

If the charter school received Charter School Facility Grant Program funding for the year audited, perform the following procedures:

(a) Verify that grant funds have been used for (1) costs associated with facilities rents and leases, for charter school facilities used principally for classroom instruction, (2) costs for remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites, or (3) common area maintenance charges limited to maintaining the facility and its common areas.

(b) If the charter school was not in compliance with the requirements recited in subdivision (a) of this section, include a finding in the Findings and Recommendations section of the audit report listing by category the amount(s) of grant funds that were inappropriately spent.

Note: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 41020, 47612.5 and 47634.2. Education Code.