
AGENDA ITEM: Compliance Matters – Camp Verde Unified School District dba South Verde Technology Magnet

Issue

The Camp Verde Unified School District's fiscal year 2010 audit identified noncompliance with student attendance record retention requirements at South Verde Technology Magnet, which is the charter school sponsored by the Board. A corrective action plan was requested, but as of the writing of this report, the charter holder has failed to submit a corrective action plan to the Board. Therefore, the charter holder has been placed on the October agenda.

General Background

The number of students attending a charter school during the first 100 days of the school year drives the amount of State funding received by the school. The amount of funding received from the State is affected by the point at which students enroll during that 100-day period, how long they stay enrolled, as well as the attendance patterns of the students while enrolled. Although the funding is based on the first 100 days of the school year, schools must take attendance and report that information to the State for the full year. The attendance records must be retained in accordance with the Public Records Law and the General Retention Schedule for School Districts and Charter Schools published by the Arizona State Library, Archives and Public Records.

Camp Verde Unified School District dba South Verde Technology Magnet

The Camp Verde Unified School District's fiscal year 2010 audit indicated that South Verde Technology Magnet did not maintain documentation of the teachers' attendance registers after the attendance was entered.

- On July 15, 2011, staff emailed a letter asking the charter holder to submit a corrective action plan (CAP) by August 16th.
- On August 19th, staff sent the charter representative a friendly reminder since the CAP had not yet been received.
- On September 7th, staff sent an email to the charter representative that included the following, "To date, the corrective action plan requested in the attached letter has not been provided to our office. If a sufficient corrective action plan is not received by Monday, September 26, 2011, Camp Verde Unified School District dba South Verde Technology Magnet will be placed on the Board's October agenda for possible disciplinary action." Staff also cc'ed the school district's business manager on the email. A read receipt was received from the business manager on September 7th.

In addition to noncompliance with student attendance record retention requirements, the fiscal year 2010 audit identified weaknesses in internal controls relating to segregation of duties. The charter holder would usually be required to submit a CAP to the Board because this issue was identified. However, the audit indicates that the school district has received notice from the Office of the Auditor General (OAG) that the district has failed to substantially comply with the Uniform System of Financial Records. This notice was based on the fiscal year 2009 audit. Further, the audit states that the school district is awaiting the status review to be performed by the OAG and that the district believes this review will find it in compliance. Based on the review that will be conducted by the OAG, the charter holder was not required to submit a CAP regarding this matter. On September 27th, the OAG indicated that it is in the process of reviewing the school district's fiscal year 2010 audit.

Board Options

1. The Board may direct staff to monitor Camp Verde Unified School District dba South Verde Technology Magnet's progress on this issue and provide additional updates as they become available.
2. The Board may find Camp Verde Unified School District dba South Verde Technology Magnet is in noncompliance with its charter and state law for its failure to retain student attendance records as required by A.R.S. §39-121.01 and in accordance with the General Retention Schedule for School Districts and Charter Schools published by the Arizona State Library, Archives and Public Records and

- approve withholding 10% of Camp Verde Unified School District dba South Verde Technology Magnet's monthly State aid apportionment until the charter can demonstrate compliance with these requirements by submitting the corrective action plan requested in the Board's July 15, 2001 letter.
3. The Board may vote to issue a Notice of Intent to Revoke the charter contract of Camp Verde Unified School District dba South Verde Technology Magnet for failing to retain student attendance records as required by A.R.S. §39-121.01 and in accordance with the General Retention Schedule for School Districts and Charter Schools published by the Arizona State Library, Archives and Public Records and failing to comply with its charter.
 - Within 48 hours of receipt of the Notice the charter operator shall notify staff and parents/guardians of registered students of the Notice of Intent to Revoke and the Notice of Hearing and provide a school location where the copy may be reviewed;
 - Within 20 days of receipt of the Notice the charter operator shall provide copies of all correspondence and communications used to comply with the preceding provision; and
 - Within 20 days of receipt of the Notice the charter operator shall provide the Board with the names and mailing addresses of parents/guardians of all students registered with the school.
 4. The Board may choose to withhold 10% of the charter holder's monthly State aid apportionment (Option #2) and to issue a Notice of Intent to Revoke the charter holder's charter contract (Option #3).

Staff's Recommendation

Staff's recommendation is Option #2.