



**UNITED STATES DEPARTMENT OF EDUCATION**  
**OFFICE OF INSPECTOR GENERAL**

Audit Services  
Region IV

April 7, 2010

Mrs. Kathy Cox  
State Superintendent of Schools  
Georgia Department of Education  
2066 Twin Towers East  
Atlanta, GA 30334

Dear Mrs. Cox:

This **final audit report**, Control Number ED-OIG/A04J0003, presents the results of our audit titled *Georgia Department of Education's Controls Over Performance Data Entered in EDFacts*. The objectives of the audit were to 1) determine whether the Georgia Department of Education (GaDOE) and Clayton County Public School (CCPS) District established adequate systems of internal control to provide accurate education data to EDFacts, and 2) evaluate GaDOE's use of program reviews as a monitoring tool for local educational agencies (LEA). Our audit covered selected CCPS EDFacts data for the 2006-2007 school year and program reviews performed by GaDOE for the 2006-2007 and 2007-2008 school years.

For a complete list of acronyms/abbreviations used in this report, see Appendix A.

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## **BACKGROUND**

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The U.S. Department of Education's (Department) EDFacts system<sup>1</sup> is a central repository that consolidates Kindergarten through 12<sup>th</sup> grade (K-12<sup>th</sup>) education information collected from 52 State Educational Agencies (SEA). SEAs submit required data files through the Education Data Exchange Network (EDEN) Submission System (ESS)<sup>2</sup> component of EDFacts as required by 34 C.F.R. § 80.40 and Federal Register Volume 72. The internet-based collection process simplifies reporting and improves the timeliness of the K-12<sup>th</sup> grade information that is required for annual and final grant reporting, specific program mandates, and the Government Performance and Results Act. EDFacts data are used for planning, policy, and management at the Federal, State, and local levels.

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<sup>1</sup> The system is managed by the Office of Planning, Evaluation, and Policy Development (OPEPD) and was previously called the Education Data Exchange Network (EDEN).

<sup>2</sup> The EDFacts System has three components – the ESS collects required data submission; the EDEN Survey Tool collects supplementary data submission, such as data for the Civil Rights Data Collection and the Indian Education Formula Grant Program Application; and the EDEN staging database holds newly submitted data.

The EDFacts initiative was funded in 2003, operational by 2004, and mandated for use by SEAs starting with the 2006-2007 school year. According to the EDFacts Fiscal Year (FY) 2011 Office of Management and Budget (OMB) Exhibit 300 submitted to OMB in September 2009, the Department has spent approximately \$78.6 million on the EDFacts system from its inception through FY 2009.

GaDOE oversees public education throughout the State of Georgia, with more than 2,500 schools and 1.6 million students. It ensures that laws and regulations pertaining to education are adhered to and State and Federal funds appropriated for education are properly allocated to its 182 LEAs. For the 2006-2007 school year, GaDOE allocated more than \$375 million of Title I funds to its LEAs.

GaDOE has submitted performance and other data through ESS since the 2003-2004 school year (reporting 2002-2003 school year data). GaDOE requires LEAs to submit specific data to the Georgia Statewide Student Information System (GSSIS). Using the Department's EDEN file specification documents as guidance, GaDOE extracts selected data from GSSIS and submits it to EDFacts.

CCPS, located in Jonesboro, is the sixth largest school district in Georgia, serving more than 50,000 students in 33 elementary schools, 13 middle schools, and 8 high schools. The chart below lists Department funded programs that CCPS participates in and the amount it was allocated for each program for the 2006-2007 school year.

CCPS Allocation by Department Program

Name of Department Funded Program	Amount Allocated to CCPS for 2006-2007 School Year
Title I-A	\$18,134,586
Title II-A	\$2,149,169
Title II-B	\$24,206
Title II-D	\$453,491
Title III-A	\$676,999
Title IV-A	\$413,219
Title V-A	\$137,786
Reading First	\$2,168,529

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## AUDIT RESULTS

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We found that neither CCPS nor GaDOE established adequate systems of internal control to ensure that accurate, reliable, and complete data were entered in EDFacts. As a result, CCPS and GaDOE reported inaccurate or unsupported data, including dropouts, graduates, and discipline incidents. Specifically, CCPS and GaDOE underreported dropouts and discipline incidents. In addition, we found that GaDOE's use of program reviews as a monitoring tool for LEAs was insufficient to ensure the accuracy of data reported.

Without sufficient controls to ensure the accuracy of data, CCPS was providing inaccurate or unsupported data to GaDOE for reporting to EDFacts. Based on the findings at CCPS, GaDOE could

be receiving the same type of inaccurate data from its remaining LEAs. The Department relies on the reported data in EDFacts and could be making planning, policy, and management decisions based on inaccurate or unreliable data.

In its comments to the draft report, GaDOE did not concur with either of the two findings nor did it concur with draft Recommendations 1.4 through 1.7 and Recommendations 2.1 and 2.2. GaDOE stated that the report findings were based on “program requirements” when no such requirements exist in Federal law, regulation, or guidance. GaDOE claimed that its practices and internal controls met Federal regulations and guidance. GaDOE did not state whether or not it concurred with draft Recommendations 1.1 through 1.3 and Recommendation 2.3.

GaDOE’s comments did not provide sufficient information nor did it provide additional documentation in support of its nonconurrence with the Findings and draft Recommendations 1.4, 1.7, 2.1, and 2.2. We deleted draft Recommendations 1.5 and 1.6 based on GaDOE actions subsequent to the scope of our audit, which effectively addressed the recommendations. Draft Recommendation 1.5 recommended that GaDOE clearly communicate responsibilities for GSSIS’ triggered edit codes requiring resolution; and draft Recommendation 1.6 recommended that GaDOE define violent incidents using the *U.S. Department of Education – Education Data Exchange Network (EDEN) N030-Discipline Incidents File Specifications*, Version 4.0, SY 2007-08 as guidance. For the current school year, GaDOE guidance requires that data submission errors related to our finding<sup>3</sup> be resolved by the school districts (draft Recommendation 1.5); and GaDOE provided definitions of violent incidents in its 2007-2008 Consolidated State Performance Report (CSPR) (draft Recommendation 1.6).

In response to comments from the Department’s Program Offices, we added a new Recommendation 1.6 pertaining to GaDOE’s lack of monitoring over LEA reported discipline incidents not classified as PDS offenses.

GaDOE’s comments are summarized after each finding in the report. The full text of its comments to the draft report is included as an attachment to the report.

### **Summary of Changes to Recommendations**

Based on GaDOE actions subsequent to the scope of our audit, we deleted draft Recommendations 1.5 and 1.6. As a result of the deleted Recommendations, draft Recommendation 1.7 is now 1.5. Based on the Department’s Program Offices’ comments, we added a new Recommendation 1.6.

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<sup>3</sup> Submission errors that are triggered when students are reported as transferred from one Georgia school to another but not included in the list of registered students in any Georgia school, which previously only triggered warnings that were not required to be resolved.

## **FINDING NO. 1 - Inadequate Systems of Internal Control Over Reported Data**

We found that CCPS did not have sufficient controls to ensure that accurate, reliable, and complete data were reported to GaDOE; and GaDOE did not have sufficient controls to ensure the accuracy, reliability, and completeness of the LEA reported data it submitted to EDFacts. As a result, both CCPS<sup>4</sup> and GaDOE provided inaccurate, incomplete, or unsupported data related to dropouts, graduates, and discipline incidents. Specifically, we found that

- CCPS did not maintain sufficient documentation supporting dropout, graduate, or discipline incident classifications; and reported inaccurate and incomplete dropout and discipline data to GaDOE.
- GaDOE lacked a sufficient system of internal controls to ensure that it reported to EDFacts all of the data classified by its LEAs as reportable; and to ensure that its LEAs reported accurate, reliable, and complete information.

### **Clayton County Public Schools**

CCPS did not provide or maintain sufficient documentation supporting the number of students reported to GaDOE as dropouts and graduates. In addition, CCPS underreported dropout data and it reported inaccurate, incomplete, and unsupported discipline data.

#### ***Insufficient Documentation Supporting Classifications***

CCPS did not provide sufficient documentation supporting the number<sup>5</sup> of students it reported to GaDOE as dropouts and graduates nor could it provide documentation of its evaluation of students with consecutive days of unexcused absence for classification as dropouts. Further, CCPS could not identify Department policy<sup>6</sup> governing the identification of dropouts.

We reviewed a sample of 9 of 177 CCPS dropouts in grades 7 through 12 reported to EDFacts for the 2006-2007 school year and found that CCPS could not provide documentation or information supporting the identification of those 9 students as dropouts.<sup>7</sup> In addition, in our review of 20 of the 2,025 CCPS graduates reported in EDFacts, CCPS provided documentation supporting that 18 students met graduation requirements, but no documentation was provided for the remaining 2. According to the Georgia Retention Schedule for Local Government Records, students' official records, which include transcripts and standardized test scores, are required to be maintained permanently. Students' transcripts and standardized test scores provide support that graduates met graduation requirements.

CCPS provided a manual entitled, *Clayton County Public Schools Comprehensive Attendance Plan* to explain its process for identifying dropouts for the 2006-2007 school year. However, the manual only discusses the dropout classification for students who accumulate 10 or more consecutive days of

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<sup>4</sup> LEAs, including CCPS, report the data to GaDOE. GaDOE then submits the reported data for all of its LEAs to EDFacts.

<sup>5</sup> Student names are not reported to EDFacts, only student counts.

<sup>6</sup> Can be found in Part I of the Consolidated State Performance Report, and the *U.S. DEPARTMENT OF EDUCATION - Education Data Exchange Network (EDEN) N032 – Dropout File Specifications*, Version 3.0, SY 2006-2007.

<sup>7</sup> The codes used to report these 9 students to GaDOE as dropouts include O-Adult Education/Postsecondary, E-Expelled, R-Removed for Lack of Attendance, and I-Incarcerated.

unexcused absences. The manual provides a process for withdrawing these students and assigning them a withdrawal code that represents a dropout. The process requires

- Numerous phone calls to all telephone numbers in the student’s file;
- Various letters sent to last known home addresses;
- Referral of the student to a school social worker; and
- Confirmation sent to the school principal or designee from the school social worker stating that the student’s whereabouts are unknown.

According to the manual, upon completion of its dropout determination process, CCPS is required to withdraw students classified as dropouts using a code “R-Removed for Lack of Attendance” or “U-Unknown.” Both of the withdrawal codes identify those students as dropouts in the State of Georgia,<sup>8</sup> and all contact attempts are required to be maintained in the student’s permanent records. According to the Georgia Retention Schedule for Local Government Records, students’ official records are required to be maintained permanently.

We found that CCPS did not follow its policies and procedures for evaluating and identifying dropouts. We reviewed all 15 CCPS students with consecutive days of unexcused absences of 50 days or more who were not withdrawn or reported as dropouts.<sup>9</sup> CCPS could not provide any documentation supporting its evaluation of any of the 15 students reviewed. Without the proper documentation supporting the decision to report or not report a student as a dropout, CCPS may not be identifying and reporting all dropouts and may be reporting students as dropouts who do not meet the definition.

In addition, we found that CCPS’ manual does not give a comprehensive definition of dropouts nor did it refer to the Department’s definition. According to the *U.S. DEPARTMENT OF EDUCATION - Education Data Exchange Network (EDEN) N032 – Dropout File Specifications, Version 3.0, SY 2006-2007*,

A dropout is defined as a student who:

- a) was enrolled in school at some time during the school year and was not enrolled on October 1 of the following school year, or
- b) does not enroll in school by October 1 of the school year although expected (i.e., not reported as a dropout for the previous school year), and has not graduated or completed a state or district-approved educational program, and does not meet any of the following 3 conditions, (1) transferred to another public school district, private school, or state- or district-approved educational program, (2) out on a school-recognized absence due to suspension or illness, or (3) dead.

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<sup>8</sup> According to the *Georgia Department of Education - FY 2007 FTE Data Collection Data File Layout*, the following withdrawal codes represent dropouts: B-Marriage, E-Expelled, F-Financial Hardship/Job Related, I-Incarcerated, L-Low Grades/School Failure, M-Military/Student enlisted in Military, O-Adult Education/Postsecondary, P-Pregnant/Parent, R-Removed for Lack of Attendance, S-Serious Illness/Accident, and U-Unknown.

<sup>9</sup> CCPS and GaDOE provided the information for the 2006-2007 school year, listing a total of 309 students with consecutive unexcused absences of 10 or more days, 15 of which had consecutive unexcused absences of 50 days or more.

The Federal guidance further states that grades 7 through 12 dropout numbers for the 2006-2007 school year are to be reported in ED Facts.

According to CCPS, as part of its controls over classification of dropouts, it periodically provides a list of reported dropouts to the schools that reported them, requesting that the schools verify that the students are actually dropouts. However, the periodic reports to schools on dropouts do not ensure that CCPS is identifying all dropouts, only that the dropouts that have been identified have been verified by the school. Because CCPS could not provide documentation to support 1) the identification and classification of 9 students reviewed as dropouts, and 2) the evaluation of an additional 15 students with 50 consecutive days of unexcused absences to determine the dropout status, we determined that CCPS cannot rely on the periodic reports to confirm that students identified as dropouts are actually dropouts. CCPS lacks sufficient controls to ensure complete reporting of dropouts; and it also may be reporting students as dropouts who do not meet the definition of a dropout. In addition, as discussed in the following section, CCPS has not been identifying and reporting all dropouts.

### ***Underreported CCPS Dropout Data***

CCPS did not identify and report all dropouts to GaDOE for reporting to ED Facts for the 2006-2007 school year because it lacked sufficient controls. As a result, its dropout data in ED Facts are understated and, therefore, unreliable.

We compared CCPS District Office's list of 508 students identified as dropouts and no-shows for the 2006-2007 school year to GaDOE's list of 215 students<sup>10</sup> that supports the CCPS dropout count reported in ED Facts. We found that 293 students on CCPS' list were not included on GaDOE's list.<sup>11</sup> Of the 293 CCPS dropouts and no-shows in question, we found that 102 of them<sup>12</sup> met the Department's definition<sup>13</sup> of a dropout (definition detailed in previous section - CCPS, *Insufficient Documentation Supporting Classifications*), and therefore should have been reported to GaDOE and ED Facts as dropouts. Specifically, the Department's guidance<sup>14</sup> provides that any student who meets the definition of a dropout according to the 2005-2006 guidance but is not reported as a dropout for the 2005-2006 school year meets the definition of a dropout for the 2006-2007 school year as long as that student does not meet the other three conditions described in the guidance and has not graduated.

Of the 102 students who met the Department's definition of a dropout, CCPS reported 3 of them to GaDOE as grades 7 through 12 dropouts.<sup>15</sup> However, these three students did not appear on GaDOE's list of dropouts that supports the 2006-2007 CCPS dropout count in ED Facts. Although the remaining 99 students were all no-shows, CCPS reported all 99 students to GaDOE with a withdrawal

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<sup>10</sup> Of the 215 students, 177 were in grades 7 through 12 and 38 in grade levels below 7<sup>th</sup>.

<sup>11</sup> The remaining 215 students on CCPS' list were included on GaDOE's list of dropouts.

<sup>12</sup> Of the 102 students, 56 were in grades 7 through 12, required to be reported to ED Facts, and 46 were in grade levels below 7<sup>th</sup>, reporting optional. However, GaDOE opted to report dropouts from all grade levels for the 2006-2007 school year.

<sup>13</sup> See page 4 of this report for the Department's guidance on the identification of dropouts.

<sup>14</sup> U.S. DEPARTMENT OF EDUCATION - Education Data Exchange Network (EDEN) N032 – Dropout File Specifications, Version 3.0, SY 2005-2006 and Version 3.0, SY 2006-2007.

<sup>15</sup> The withdrawal/dropout codes CCPS reported for the three students for the October Full-Time Equivalent (FTE) Count for the 2006-2007 school year were "U-Unknown" or "O-Adult/Postsecondary Education."

code “T” - Transfer to another public school system in Georgia or under the jurisdiction of the Department of Juvenile Justice, for the October Full-Time Equivalent (FTE) Count for the 2006-2007 school year without any support to justify this designation.

CCPS did not follow GaDOE’s policies and procedures in reporting the 99 students. Specifically, CCPS did not report the students correctly as “no-shows.” According to the *Georgia Department of Education - FY 2007 FTE Data Collection Data File Layout*, “no-show refers to a student who started the enrollment process but subsequently did not attend the school. This is indicated by an appropriate withdrawal code and a withdrawal date of 06/16/2006.”

CCPS coded all 99 no-shows with the “T” withdrawal code without any notification to indicate that the students had either transferred or were planning to transfer to another public school in Georgia or were under the jurisdiction of the Department of Juvenile Justice. CCPS could not provide any documentation to support the students’ transfer status. Examples of documentation that would indicate support for use of the “T” withdrawal code could include 1) notice provided by the parent or student informing the school/CCPS district office that the student was transferring to another public school in Georgia, 2) withdrawal forms, or 3) a request from another public school in Georgia for the student’s transcripts/permanent records. In addition, GaDOE could not locate a 2006-2007 enrollment record for any of the 99 students reported as a transfer with withdrawal code “T.”

Without notification indicating that the 99 students transferred or were planning to transfer to another public school in Georgia, CCPS should not have reported them to GaDOE with a withdrawal code “T” indicating transfer. These students should have been reported with a withdrawal code of “U – Unknown,” which is classified as a dropout in the State of Georgia. Because CCPS reported the dropouts as transfers, the dropout count reported in EDFacts was understated for the 2006-2007 school year by 99 students<sup>16</sup> – 53 students from grades 7 through 12 and 46 students from grade levels below 7. Since the number of dropouts is used to calculate the dropout rate, and the number of reported CCPS dropouts is understated, CCPS’ dropout rate for 2006-2007 is understated as well.

### ***Inaccurate and Unsupported CCPS Discipline Data***

We found that CCPS’ reported disciplinary data were not sufficiently supported, CCPS inaccurately coded and reported discipline incidents, and it did not report all reportable discipline incidents. CCPS’ discipline data issues occurred because it did not monitor or verify discipline incident records at schools to ensure that the incidents were properly labeled, except for offenses that would designate a school as a Persistently Dangerous School (PDS). As a result, CCPS’ 2006-2007 discipline data reported in EDFacts were not accurate, reliable, or complete.

GaDOE’s GSSIS limits its defined discipline incident codes to report only certain discipline incidents to the State. In addition, GaDOE reports only a select group of the GaDOE defined discipline incident codes in its discipline incident counts<sup>17</sup> reported to EDFacts. Discipline incidents not reported to

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<sup>16</sup> The total dropout count is actually underreported by 102 students, the 99 reported as transfers plus the 3 (from grades 7 through 12) that CCPS did report to GaDOE as dropouts, but were not included on GaDOE’s list of dropouts.

<sup>17</sup> GaDOE does not report its defined discipline incident codes to EDFacts; rather, it categorizes its discipline incident codes into the following five categories defined by the Department, and then reports the incident counts for each of the five categories to EDFacts: Illicit Drug Related, Alcohol Related, Weapons Possession, Violent Incident With Physical Injury (VIOWINJ), and Violent Incident Without Physical Injury (VIOWOINJ).

GaDOE are not reported to ED Facts. According to the *Georgia Department of Education FY 2007 Student Record Data Collection Data File Layout-Discipline File Layout*,

- Discipline incidents required to be reported to GaDOE include – alcohol, arson, battery, burglary, computer trespass, disorderly conduct, drugs except alcohol, fighting, homicide, kidnapping, larceny/theft, motor vehicle theft, robbery, sexual battery, sexual harassment, sex offenses, threat/intimidation, tobacco, trespassing, vandalism, weapons-knife, weapons-other, other discipline incident, weapons-handgun, weapons-rifle, and serious bodily injury.
- Discipline actions required to be reported to GaDOE include – corporal punishment, in-school suspension (ISS), out-of-school suspension (OSS), expulsion, suspended from riding bus, assigned to Crossroads Alternative School, assigned to Other Alternative School, juvenile or court system referral, other discipline action for a serious incident, and removed from class at teacher's request.

According to the *U.S. Department of Education – Education Data Exchange Network (EDEN) N030-Discipline Incidents File Specifications* Version 3.0, SY 2006-2007, discipline incidents required to be reported to ED Facts are "...infractions by school-aged students...for illicit drugs, alcohol, weapons possession, and violence (as those infractions are defined by the state)." GaDOE did not define violent incidents in its 2006-2007 Consolidated State Performance Report (CSPR). However, consistent with the *U.S. Department of Education – Education Data Exchange Network (EDEN) N030-Discipline Incidents File Specifications*, Version 4.0, SY 2007-2008, GaDOE provided a spreadsheet specifying the following five categories of discipline incidents and the discipline incident codes for each of the five categories to be reported to ED Facts for the 2006-2007 school year.

- Illicit Drug Related (code 07 - Drugs, except alcohol and tobacco)
- Alcohol Related (code 01 - Alcohol)
- Weapons Possession (codes 22 – Weapons-knife; 23 – Weapons-other; 25 – Weapons-handgun; 26 – Weapons-rifle/shotgun)
- Violent Incident With Physical Injury (VIOWINJ) (codes 27 – Serious bodily injury; 03 – Battery; 14 – Sexual battery)
- Violent Incident Without Physical Injury (VIOWOINJ) (code 08 – Fighting)

CCPS reported 3,422 battery, sexual battery, and fighting discipline incidents to GaDOE to include in its count of VIOWINJ and VIOWOINJ incidents reported to ED Facts for the 2006-2007 school year. We randomly selected 39 incidents<sup>18</sup> – 5 incidents from the battery category, 5 incidents from the sexual battery category, and 29 incidents from the fighting category. In our review of the 39 discipline incidents selected, we found that for 21 of the incidents, CCPS either had insufficient or no documentation to support the classification reported; or CCPS incorrectly classified and reported the discipline incidents. Specifically,

- CCPS either did not provide sufficient support or provided no support for the classification of 14 of the 39 incidents reviewed – 2 were battery, 10 were fighting, and 2 were sexual battery.

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<sup>18</sup> We reviewed approximately 1 percent of all reported battery, fighting, and sexual battery incidents, selecting random samples from each category in proportion to the total number of incidents in each category.

Examples of the support provided for the incident classification included a Student Incident Maintenance Screenshot from CCPS' student information system and a Clayton County Discipline Record that displays only the incident code without any description or narrative to explain what occurred in the incident. Without supporting documentation we were unable to determine whether the 14 incidents were correctly reported to GaDOE as not being PDS offenses.<sup>19</sup> In addition, according to the Georgia Retention Schedule for Local Government Records, student discipline and suspension records are required to be maintained for 7 years, or until age 22, whichever is shorter.<sup>20</sup>

- CCPS provided documentation in support of its discipline incident classification for 7 of the 39 incidents reviewed; however, the support provided indicated that the 7 incidents were coded and reported incorrectly to GaDOE and EDFacts. Of the seven incorrectly coded discipline incidents, two incidents did not meet the definition of the GaDOE incident code assigned (battery and fighting) nor did the incidents fit into any of the GaDOE defined discipline incident codes. In accordance with GaDOE requirements, the two incidents are not reportable to GaDOE and, therefore, not reportable to EDFacts.<sup>21</sup> Although the remaining five incidents did not meet the definition of the GaDOE incident code assigned (battery and sexual battery), the incidents met other GaDOE defined discipline incident codes (other discipline incident, fighting, and sexual harassment) and should have been reported to GaDOE with the appropriate code. However, the codes that should have been reported for these five incidents were not included in the five categories of discipline incidents for which GaDOE reports a count to EDFacts. As such, the incidents should not have been reported to EDFacts.<sup>22</sup> None of the seven discipline incidents were reported as PDS offenses and the documentation provided supported that the incidents were not PDS offenses.
- CCPS provided support for the remaining 18 of the 39 discipline incidents reviewed, indicating that those incidents were not PDS offenses and were reported correctly to EDFacts.

We also found that CCPS did not provide clear guidance and monitor the use of the Option 7/Exclude code, which allowed schools' discretion in use of the code. CCPS coded 4,134 discipline incidents, using an "Option7/Exclude" code to exclude those incidents for reporting purposes. However, we found that 4,110 of those incidents should have been reported to GaDOE, and of those that should have been reported to GaDOE, 148 were consistent with the Department's examples of violent incidents and should have been reported to EDFacts.<sup>23</sup>

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<sup>19</sup> PDS offenses include the following: aggravated battery, aggravated child molestation, aggravated sexual battery, aggravated sodomy, armed robbery, arson-first degree, kidnapping, murder, rape, voluntary manslaughter, 2 percent or more of student population or 10 (whichever is greater) involved with non-felony drugs, felony drugs, felony weapons, and terroristic threats.

<sup>20</sup> According to 34 C.F.R. § 80.42, retention and access requirements for records, "all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are: (i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or (ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.... must be retained for three years..."

<sup>21</sup> One of the two incidents was included in CCPS' VIOWINJ count reported in EDFacts, and the other was included in CCPS' VIOWOINJ count.

<sup>22</sup> The five incidents were included in CCPS' VIOWINJ count reported to EDFacts.

<sup>23</sup> Our determination is based on the discipline incident code and action CCPS assigned to the incidents.

According to the *Clayton County Public Schools – Administrative Disciplinary Guidelines and Resource Manual, 2006-2007*, “Option 7/Exclude, which prevents an incident from being accumulated for state reporting, should be used in a relatively consistent manner throughout the school district as it relates to disciplinary offenses that result in in-school suspension [ISS]....” However, GaDOE defines all ISS actions as reportable, as such, all discipline incidents resulting in ISS should have been reported to the State. CCPS staff explained that the intent of “Option 7/Exclude” was to 1) correct an error in which a student was assigned ISS but did not serve it; and 2) exclude from reporting certain offenses for which ISS was not given to students.

Of the 148 offenses that CCPS should have reported to GaDOE to report to EDFacts based on the discipline incident code and discipline incident action assigned, we selected a random sample of 30 for more detailed analyses. We found that 24 of the 30 incidents should have been reported to GaDOE or to both GaDOE and EDFacts. For the remaining six incidents, CCPS used the “Option 7/Exclude” code in accordance with the explanation provided by the CCPS District Office.

Although it had not defined violent incidents, GaDOE reported violent incident counts on its 2006-2007 CSPR and provided violent incident counts to EDFacts for that same school year. Of the 24 incidents determined to have been reportable, 16 were consistent with incidents reported to GaDOE and EDFacts in the same 2006-2007 school year and included – fighting; bullying; horse-playing/wrestling; and pinching. The remaining eight incidents were serious enough to be considered violent, however, GaDOE did not have defined discipline incident codes for CCPS to report the 8 incidents, which included – pushing a student to ground, then hitting him; kneeling, kicking, and hitting female students in the buttocks; slapping; punching; and choking. Of the 24 reportable incidents, 8 of them should have been reported to GaDOE, and the remaining 16 incidents should have been reported to both GaDOE and EDFacts.

The inaccurate coding and unsupported CCPS discipline incidents, and the failure to report all CCPS discipline incidents required to be reported to EDFacts, indicate that CCPS has insufficient controls over the accuracy of reported discipline data. Except for discipline incidents classified as PDS offenses, CCPS did not monitor or verify discipline incident records at schools to ensure that the incidents are properly labeled.

## **Georgia Department of Education**

GaDOE reported inaccurate CCPS dropout and discipline data to EDFacts for the 2006-2007 school year because it lacked sufficient controls to ensure that 1) it reported to EDFacts all dropouts correctly identified by LEAs, and 2) LEA-reported dropout and discipline data were accurate. As a result, CCPS’ 2006-2007 dropout data in EDFacts is understated, and its EDFacts reported discipline data are inaccurate and incomplete, and therefore, unreliable.

### ***Underreported Dropout Data***

GaDOE did not report all dropouts to EDFacts for the 2006-2007 school year. As discussed in the CCPS section above (CCPS, *Underreported CCPS Dropout Data*), we identified 102 CCPS students who met the Department’s definition of dropout but were not included in the dropout count in EDFacts

for the 2006-2007 school year. As a result, GaDOE's dropout data in EDFacts were underreported for the 2006-2007 school year by the 102 CCPS students that we found met the Department's definition.<sup>24</sup>

Of the 102 students that we identified as having met the Department's definition of a dropout, CCPS reported 3 to GaDOE as grades 7 through 12 dropouts.<sup>25</sup> However, GaDOE did not include them in the dropout count reported to EDFacts. For the remaining 99 students, GaDOE did not include those students in the dropout count reported to EDFacts because CCPS erroneously reported them to GaDOE as transfers<sup>26</sup> instead of dropouts, and GaDOE did not have sufficient controls to detect such erroneous data. As a result, GaDOE underreported the CCPS dropout count in EDFacts by a total of 102 students<sup>27</sup> – 56 students from grades 7 through 12<sup>th</sup> and 46 students from grade levels below 7<sup>th</sup>. Because the number of dropouts is used to calculate the dropout rate, CCPS' dropout rate for the 2006-2007 school year is understated as well.

GaDOE's failure to report all dropouts to EDFacts indicates weak controls over the accuracy and reporting of dropout data. GaDOE's Accountability Office stated that it does not monitor or verify LEA reported data. Rather it accepts the LEAs' information as accurate until told otherwise, with the exception of verifying that reported dropouts have not re-enrolled in school. For every student reported to GaDOE as a dropout, the Accountability Office checks for the students' re-enrollment into another school in Georgia. The Accountability Office makes the necessary changes to the student's dropout status if the student has re-enrolled in another school. However, this control does not ensure that all dropouts are identified and reported.

In addition, GaDOE's Data Collections Office stated that it relies on business rules and edits embedded<sup>28</sup> in the processing system of the GSSIS to ensure the accuracy of data reported to EDFacts. However, while the business rules and edits may validate the data submitted by LEAs, they cannot always be relied on to ensure the accuracy of the data. For example,

GSSIS' edit code W2562 is triggered when a student is reported to GaDOE with a withdrawal code of "T" and the student ID is not reported at any other school in the system or any other system in the State. Because GaDOE could not locate a 2006-2007 enrollment record for any of the 99 students reported as a transfer with withdrawal code "T" (as discussed in the CCPS section above), the edit code W2562 should have been triggered. The code would have indicated a potential for inaccurate data. According to GaDOE, prior to the 2009-2010 school year, a warning would have been sent to the LEA, indicating that an online explanation was required.

Effective for the 2009-2010 school year, edit code W2562 changed to E2567. As a result, an error report will be sent to the LEA for the current school year when the edit code E2567 is triggered, indicating that a correction to the data must be made before it can be successfully uploaded to GSSIS.

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<sup>24</sup> See page 4 for the definition.

<sup>25</sup> The 9 were reported as dropouts using GaDOE defined withdrawal codes for dropouts – "U-Unknown" or "O-Adult/Postsecondary Education" for the October Full-Time Equivalent (FTE) Count for the 2006-2007 school year.

<sup>26</sup> Reported with a withdrawal code "T - Transfer to another public school system in Georgia or under the jurisdiction of the Department of Juvenile Justice."

<sup>27</sup> The 99 reported as transfers plus the 3 (from grades 7 through 12<sup>th</sup>) reported as dropouts to GaDOE, but not reported to EDFacts.

<sup>28</sup> Examples of the embedded controls include edits checking for letters inputted into numeric fields; appropriate formatting in fields; values recorded in required fields; and duplication of a student's ID number.

However, had there been a clear, communicated requirement for LEAs or GaDOE to resolve records with edit code W2562 prior to the current school year, the 99 students may have been properly reported as dropouts.

GaDOE's Data Collections Office also stated that the final step in the data reporting process for LEAs is for local superintendents to attest to the accuracy and completeness of the data reported to GaDOE and to attest that all explanatory notes regarding warnings of potentially discrepant data are accurate. However, because GaDOE does not periodically check the accuracy of LEA reported data, it cannot assure itself that the superintendents' attestation is reliable in terms of ensuring the accuracy and completeness of the reported data.

### ***Inaccurate and Unsupported Discipline Data***

GaDOE reported inaccurate and unsupported discipline data to ED Facts for the 2006-2007 school year because 1) it lacked sufficient controls to detect erroneous LEA reported discipline data, and 2) it had not clearly defined violent incidents, thereby limiting LEAs' ability to identify and report all violent incidents. As a result, GaDOE/CCPS' discipline data in ED Facts are inaccurate, incomplete, and unreliable.

As discussed in the CCPS section above (CCPS, *Inaccurate and Unsupported CCPS Discipline Data*), from our sample of 39 CCPS battery, fighting, and sexual battery discipline incidents reported to GaDOE and ED Facts for the 2006-2007 school year, 7 of the incidents were reported to GaDOE with incorrect discipline incident codes. However, because GaDOE did not monitor or verify the accuracy of LEA reported discipline data,<sup>29</sup> GaDOE reported the incorrectly coded discipline incidents to ED Facts, thereby causing data in ED Facts to be inaccurate.<sup>30</sup> For 14 of the 39 sampled incidents, CCPS either did not provide sufficient support or provided no support. Because GaDOE did not ensure that its LEAs maintained support for discipline incidents for the 7 years required by the Georgia Retention Schedule for Local Government Records, or even the 3 years required by 34 C.F.R. § 80.42, the discipline data it reported to ED Facts are unsupported and not reliable.<sup>31</sup>

Also, as discussed in the CCPS section above (CCPS, *Inaccurate and Unsupported CCPS Discipline Data*), we found that from our sample of 30 discipline incidents that CCPS excluded from being reported to GaDOE using an Option 7 Exclude code, 24 should have been reported to GaDOE or both GaDOE and ED Facts. However, because GaDOE does not have controls to ensure that its LEAs report all reportable discipline incidents, the number of reported discipline incidents in GaDOE's GSSIS and in ED Facts is understated.

According to the *U.S. Department of Education – Education Data Exchange Network (EDEN) N030-Discipline Incidents File Specifications*, Version 3.0, SY 2006-2007, discipline incidents required to be reported to ED Facts are "...infractions by school-aged students...for illicit drugs, alcohol, weapons

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<sup>29</sup> The only exception is that GaDOE does monitor discipline incidents that would designate a school as a Persistently Dangerous School (PDS).

<sup>30</sup> Two of the seven incorrectly coded incidents should not have been reported to GaDOE or ED Facts. The other five incorrectly coded incidents should have been reported to GaDOE with a different discipline incident code and should not have been reported to ED Facts at all.

<sup>31</sup> For the remaining 18 of the 39 discipline incidents reviewed, CCPS provided adequate documentation to support the incidents.

possession, and violence (as those infractions are defined by the state).” We found that GaDOE had not clearly defined violent incidents but rather provided categories and examples of what would be considered a violent incident and limited its reporting of incidents to ED Facts to the categories provided. As a result, we found that CCPS did not report all of its discipline incidents that were serious enough to be considered violent because GaDOE did not have defined discipline incident codes for CCPS to report such incidents (as detailed in a previous section of this report – CCPS, *Inaccurate and Unsupported CCPS Discipline Data*).

Without defined incident codes that include all violence, or an overall code for those incidents that meet the definition of violent but do not fit it to any prescribed classification, violent incidents go unreported in ED Facts. In addition, GaDOE limited its LEAs’ ability to identify and report all violent incidents while at the same time providing LEAs a great amount of discretion in classifying incidents within the categories provided. For example, an LEA may consider an incident as violent with no clear category of reporting and decide to report it as violent in any category, just so that it is reported. However, another LEA may exclude the incident because there is no category for reporting. As a result, discipline data between LEAs within GaDOE may be inconsistent.

## Recommendations

We recommend that the Assistant Secretary for Planning, Evaluation, and Policy Development instruct GaDOE to require CCPS to –

- 1.1 Establish and implement systems of internal control to ensure that it identifies and properly reports all dropouts, and maintain the supporting documentation in accordance with prescribed record retention requirements;
- 1.2 Maintain official student records, documenting whether graduates have met all graduation requirements, in accordance with prescribed record retention requirements; and
- 1.3 Establish and implement systems of internal control to ensure that it identifies and properly reports all discipline incidents required to be reported to the State and ED Facts, and maintain the supporting documentation in accordance with prescribed record retention requirements.

We recommend that the Assistant Secretary for Planning, Evaluation, and Policy Development instruct GaDOE to –

- 1.4 Establish and implement systems of internal control to ensure that it identifies and properly reports all dropouts to ED Facts; and
- 1.5 Follow up on issues identified at CCPS, take appropriate action to correct the data, and advise the Department of actions taken.

We recommend that the Assistant Secretary for Planning, Evaluation, and Policy Development, in conjunction with the Assistant Deputy Secretary for Safe and Drug-Free Schools, instruct GaDOE to –

- 1.6 Establish and implement systems of internal control to ensure that non-PDS discipline incidents are accurately classified at the local level.

## GaDOE Comments

In its comments to the draft audit report, GaDOE did not concur with the finding and draft Recommendations 1.4 through 1.7. GaDOE objected to the report findings, stating that they were based on “program requirements” that did not exist in Federal law, regulation or guidance. GaDOE maintained that the auditors used criterion that had no relationship to EDFacts program regulations.

Specifically, GaDOE stated that it did not concur with Finding 1 for reasons summarized in its non-concurrence of the following Recommendations.

- 1.4 GaDOE stated it does not concur with Recommendation 1.4 because its internal controls over identifying and properly reporting all dropouts to EDFacts meet Federal regulations and no additional corrective action is needed.
- 1.5 GaDOE stated it does not concur with draft Recommendation 1.5 (which has been deleted) because data resulting in errors or warnings are sent back to the school district, and all errors must be corrected before the LEA’s superintendent signs off. GaDOE stated that it believes its internal controls over resolution of edit codes are in compliance with Federal regulations and no additional corrective action is needed.
- 1.6 GaDOE stated it does not concur with draft Recommendation 1.6 (which has been deleted) because data collected in the 2006-2007 school year should not have to follow guidance issued for the 2007-08 school year since such guidance did not exist at the time the data was collected.
- 1.7 GaDOE stated it does not concur with draft Recommendation 1.7 (currently Recommendation 1.5) because the data collected is archived and used immediately for various purposes; and GaDOE does not allow any changes to the archived data. GaDOE stated that it does not agree that additional corrective action is needed.

GaDOE did not state whether or not it concurred with draft Recommendations 1.1 through 1.3.

## OIG Response

GaDOE did not provide sufficient information nor did it provide additional documentation in support of its nonconcurrence with the Finding, Recommendation 1.4, and draft Recommendation 1.7 (which is Recommendation 1.5 in this report). As a result, we did not change the finding. We did, however, delete draft Recommendations 1.5 and 1.6 based on GaDOE’s corrective actions subsequent to the scope of our audit. GaDOE guidance for the current school year (2009-2010) requires that data submission errors related to our finding on dropouts be resolved by the school districts, which effectively addressed draft Recommendation 1.5. In addition, GaDOE provided definitions of violent incidents in its 2007-2008 CSPR, which effectively addressed draft Recommendation 1.6. In addition, in response to the Department’s comments, we added a new Recommendation 1.6 to address GaDOE’s lack of sufficient monitoring of LEA reported discipline incidents not classified as PDS offenses, which allowed inaccurate information to be reported in EDFacts.

As stated in the report, 34 C.F.R. § 80.40 and Federal Register Volume 72 require data collection through ED Facts from all of the States. Also cited in the report are various sources of Federal guidance, which specify the requirements and data set definitions for the data States are required to submit to ED Facts. Federal guidance required States to submit violent incident counts to ED Facts but allowed States to define violent incidents. However, GaDOE reported in its 2006-2007 CSPP that it had not yet defined violent incidents; consequently, we 1) compared CCPS documentation of incidents to incidents that GaDOE reported to ED Facts as violent for the same school year; and 2) applied the categories of incidents that GaDOE used in reporting violent incidents in our review of the discipline incidents. Of the 24 incidents determined to have been reportable, 16 were consistent with incidents reported to GaDOE and ED Facts in the same 2006-2007 school year. CCPS' documentation of eight additional discipline incidents supported a classification that those incidents were serious and of a nature consistent with the Department's examples of violent incidents. The eight incidents cited in the report included pushing a student to the ground then hitting him; kneeling, kicking, and hitting female students in the buttocks; slapping; punching; and choking. However, none of the eight were reported to GaDOE and, therefore, were not reported in ED Facts.

Although GaDOE did not concur with Recommendation 1.4, GaDOE did not provide evidence that its internal controls meet Federal regulations. Among other discrepancies in the dropout data, we found that a significant number of dropouts (102) were not reported in ED Facts but should have been, indicating internal control weaknesses over reported data. As such, we did not change the recommendation.

GaDOE's reasons for its nonconurrence with draft Recommendation 1.7 (Recommendation 1.5 in the final report) does not address why it should not follow-up on issues identified at CCPS. The issues identified in this report, as it pertains to CCPS, indicate systemic problems with CCPS' identification of dropouts and reportable discipline incidents. We maintain that archived data should be corrected, especially, when it could be used to make important planning, policy, and management decisions.

## **FINDING NO. 2 - Program Reviews Do Not Ensure the Accuracy of Reported Data**

GaDOE's use of program reviews as a monitoring tool is not sufficient to ensure the accuracy of LEA reported data. With the exception of the Special Education Office and Title I Cross-Functional Monitoring Reviews, program reviews may be sufficient to determine whether the LEAs were in compliance with applicable program requirements, but they were not sufficient to ensure the accuracy of the data reported. The program reviews for 1) GaDOE's Special Education Office did not contain sufficient documentation to show what was obtained and reviewed for half of the selected reviews for both years; and 2) Title I Cross-Functional Monitoring Team did not contain sufficient documentation to show what was obtained and reviewed for half of the selected reviews for the 2006-2007 school year. As such, we could not determine whether the reviews for those two programs were sufficient to determine LEAs' program compliance. In addition, we found that none of the program reviews selected for the 2006-2007 and 2007-2008 school years included a step to determine the accuracy of the LEAs' reported Title I; Homeless; Career, Technical, Agricultural Education (CTAE); English to Speakers of Other Languages (ESOL); and Special Education data in ED Facts.

With the exception of the ESOL Office, we found that a sufficient number of program reviews were performed for both the 2006-2007 and 2007-2008 school years for the offices reviewed. The results of

our review of GaDOE's five program offices that have data reported in the EDFacts system are detailed in Appendix B.

Although program reviewers may test<sup>32</sup> the accuracy of data provided to them while on-site, such tests do not ensure that the same data are reported to GaDOE and EDFacts because program reviews are conducted during the school year while final reporting of data is done after the completion of the school year. Therefore, data presented during program reviews are subject to change throughout the school year. The program reviewers do not test or verify the accuracy of any data that have been reported to EDFacts.

According to 34 C.F.R. § 80.40, "...Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity." Annual reporting of education data to the Department is a Federal requirement for grantees. Therefore, since GaDOE, as a grantee, submits LEA reported data to the Department (EDFacts), GaDOE is responsible for monitoring its subgrantees' (LEAs) reported data to ensure that they are accurate, reliable, and complete, and to ensure that the LEAs are in compliance with applicable Federal requirements.

The Department obtained approval from OMB to require the electronic submission of data through EDFacts.<sup>33</sup> The Department published Paperwork Reduction Act Notices for this data collection under the title *Annual Mandatory Collection of Elementary and Secondary Education Data for the Education Data Exchange Network* (now EDFacts). According to the Paperwork Reduction Act Submission Supporting Statement - Annual Mandatory Collection of Elementary and Secondary Education Data through EDFacts, data collection through EDFacts from States is mandatory starting with the 2006-2007 school year.

According to Georgia State Board of Education Rule 160-5-1-.07(1)(c), "Georgia Statewide Student Information System (GSSIS) – The GSSIS is the system that will be used to collect data from school systems and to produce Full-Time Equivalent, Student Record, and Discipline reporting requirements beginning in school year 2006-2007." GaDOE uses data in GSSIS to report to EDFacts.

GaDOE's weak controls in ensuring the accuracy of EDFacts reported data could be partly due to its program reviewers not being familiar with the EDFacts system. Only three program office staff from all five offices with program reviews evaluated stated that they had knowledge of the EDFacts system; and neither of the three program office staff with knowledge of the system verified data in EDFacts. In addition, four of the program office staff stated that they do not have access to EDFacts and three of the four stated that they do not have access to the GSSIS.

Because GaDOE does not ensure the accuracy of reported EDFacts data, LEAs could be providing inaccurate or unsupported performance data to GaDOE, for reporting to EDFacts. Data in EDFacts are used to pre-populate some parts of the CSPR that SEAs are required to submit to the Department annually. EDFacts also provides data for planning, policy, and management at the Federal, State, and local levels. Because GaDOE does not have sufficient controls to ensure the accuracy of data in

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<sup>32</sup> The results of their program reviews are presented in program review reports.

<sup>33</sup> See Federal Register Vol. 72.

EDFacts, GaDOE could be providing inaccurate data to decision makers for use in making planning, policy, and management decisions. An added step to program reviews to check the quality of reported data in its monitoring visits to LEAs could significantly reduce the risk of LEAs providing inaccurate or unsupported data to GaDOE.

## Recommendations

We recommend that the Chief Financial Officer, in conjunction with the Assistant Secretary for Elementary and Secondary Education and the Assistant Secretary for Special Education and Rehabilitative Services, instruct GaDOE to –

- 2.1 Require its program reviewers to test the accuracy of EDFacts reported data; and
- 2.2 Require Special Education program reviewers to document what is obtained and reviewed during program reviews in support of its monitoring efforts at LEAs.

We recommend that the Assistant Secretary for Planning, Evaluation, and Policy Development request Georgia’s Governor’s Office of Student Achievement<sup>34</sup> to –

- 2.3 Review reported education data for a sufficient number of LEAs each year to provide reasonable assurance that Georgia’s EDFacts data are accurate.

## GaDOE Comments

In its comments, GaDOE stated that it does not concur with Finding 2 for the reasons summarized in its nonconurrence of Recommendations 2.1 and 2.2.

2.1 GaDOE stated it does not concur with Recommendation 2.1 because program reviews are not required to “test the accuracy of EDFacts reported data.” GaDOE added that the Federal EdFacts office uses the same data verification procedures that are currently used by GaDOE. GaDOE maintained that its program reviews are modeled after the program reviews conducted by the Department and follow the Federal regulations set forth by their respective Program Office. In addition, GaDOE stated that its current process of having the LEA superintendent sign off and attest to the certification is a sufficient control.

2.2 GaDOE stated it does not concur with Recommendation 2.2 because its Special Education program reviews are documented as required by Federal law.

GaDOE did not state whether or not it concurred with Recommendation 2.3.

## OIG Response

GaDOE did not provide sufficient information nor did it provide additional documentation in support of its nonconurrence. As a result, no changes were made to the finding and related recommendations.

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<sup>34</sup> The Official Code of Georgia Annotated (O.C.G.A.) 20-14-26 authorizes the Governor’s Office of Student Achievement to audit and inspect the records of Pre-Kindergarten-12 grade schools, as well as colleges and universities.

Per 34 C.F.R. § 80.40 and Federal Register Volume 72, annual reporting of education data to the Department through ED Facts is required of grantees; and GaDOE, as a grantee, submits LEA reported data to the Department (ED Facts). As such, GaDOE is responsible for monitoring its subgrantees' (LEAs) reported data to ensure that they are accurate, reliable, and complete, and to ensure that the LEAs are in compliance with applicable Federal requirements.

Although having the LEA superintendents sign-off and attest to the reported data is an important control, it should not be the only control because it does not provide sufficient control over the accuracy of the reported data, as evidenced by the findings detailed in this audit report. CCPS reported inaccurate and incomplete dropout and discipline data to GaDOE for the 2006-2007 school year. GaDOE should have a monitoring process for periodically verifying the accuracy of LEA reported data in ED Facts. Absent an adequate monitoring process, GaDOE has no assurance that the superintendents' attestation is sufficient to ensure the accuracy and completeness of the reported data.

GaDOE provided no additional support for its assertion that the documentation of its Special Education program reviews is in compliance with Federal law, as such, no change was made to the recommendation.

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## **OBJECTIVES, SCOPE, AND METHODOLOGY**

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The objectives of the audit were to 1) determine whether GaDOE and CCPS established adequate systems of internal control to provide accurate education data to ED Facts; and 2) evaluate GaDOE's use of program reviews as a monitoring tool for LEAs. Our audit covered selected CCPS ED Facts data for the 2006-2007 school year and program reviews performed by GaDOE for the 2006-2007 and 2007-2008 school years.

To determine the policies, procedures, and controls over the accuracy of education data, we obtained and reviewed Federal and State (Georgia) laws, regulations, policies, procedures, and guides, and CCPS guidance and regulations. We interviewed officials in the Governor's Office of Student Achievement, GaDOE officials in its offices of Data Collections, Assessments, Accountability, Title I, Special Education, Safe and Drug-Free Schools, CTAE, ESOL, and Migrant Education; and CCPS officials in its departments of Technology, Learning Support Services, Student Services, Exceptional Students (Special Education), CTAE, ESOL, and Homeless Education.

To determine whether graduates included in the CCPS graduate count reported to ED Facts for the 2006-2007 school year met graduation requirements, we obtained from GaDOE the list of 2,025 CCPS graduates supporting the regular diploma graduate count reported to ED Facts. We selected a random sample of 20 graduates and requested the documentation showing that the 20 graduates met graduation requirements.

To determine whether CCPS followed its own process for identifying and withdrawing as dropouts, students who accumulated 10 or more consecutive days of unexcused absences, we obtained 1) a list of all students that accumulated 10 or more consecutive days of unexcused absences during the 2006-2007 school year, and 2) the withdrawal and dropout data for CCPS students for the 2006-2007 school

year from both GaDOE and CCPS. From the universe of 309 students in grades 7 through 12 who accumulated consecutive days of unexcused absences of 10 days or more and were not withdrawn or reported as dropouts, we reviewed all 15 students with consecutive days of unexcused absences of 50 days or more.

To determine whether CCPS students included in the dropout count reported to EDFacts for the 2006-2007 school year met the definition of a dropout, we obtained from GaDOE the list of 177 CCPS dropouts supporting the grades 7 through 12 dropout count reported to EDFacts. We reviewed a random sample of nine dropouts, which is 5 percent of the population.

We compared CCPS District Office's list of 508 students identified as dropouts and no-shows for the 2006-2007 school year to GaDOE's list of 215 students that supports the CCPS dropout count reported in EDFacts. For the 293 students on the list provided by the CCPS District Office that were not provided by GaDOE, we obtained and reviewed withdrawal and enrollment information on each of the 293 students in question to determine whether they should have been reported to GaDOE and EDFacts as dropouts.

To determine whether CCPS' 3,422 battery, sexual battery, and fighting incidents reported to EDFacts for the 2006-2007 school year should have been reported to GaDOE as aggravated battery or aggravated sexual battery (offenses that count toward a school's PDS designation), we reviewed a random sample of discipline incidents (totaling 39) from each of the 3 categories in proportion to the total number of incidents in each category (1 percent of population).

To determine whether CCPS discipline incidents were excluded from being reported to GaDOE and EDFacts for the 2006-2007 school year, we obtained a list of all discipline incidents that were assigned an Option 7/Exclude code for the 2006-2007 school year. Of the 4,134 discipline incidents assigned an Option 7/Exclude code, we determined that 148 should have been reported to EDFacts based on the code and incident action assigned. Of the 148 discipline incidents, we reviewed a random sample of 30 to determine whether CCPS appropriately used the Option 7/Exclude code, which would be supported by documentation proving that the students either did not serve the assigned discipline action or were not assigned ISS or other reportable action.

To evaluate GaDOE's use of program reviews as a monitoring tool for LEAs we identified GaDOE's five program offices that have data reported in the EDFacts system. For each of the five program offices, we determined the number of LEA program reviews performed that resulted in findings (230) and the number that did not result in findings (149), for both the 2006-2007 and 2007-2008 school years. For each of the five program offices, we reviewed a random sample of 15 percent of each universe or 5, whichever was greater, for each of the 2 years. In evaluating the program reviews, we determined 1) the sufficiency of the reviews in ascertaining LEA program compliance, 2) whether a sufficient number of reviews were performed each year, and 3) whether testing the accuracy of EDFacts data was included in the scope of the reviews.

The audit itself was a test of the reliability of computer-processed data in EDFacts. As discussed in Finding No. 1, we found inaccurate GaDOE/CCPS EDFacts data specifically pertaining to dropouts and discipline incidents.

We conducted our fieldwork at GaDOE, located in Atlanta, Georgia, and at CCPS, located in Jonesboro, Georgia. Our on-site visits at the two locations took place between January 2009 and May 2009. Our followup of the visits and analyses continued through September 2009. An exit conference was held with selected officials from GaDOE and CCPS on October 20, 2009.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## ADMINISTRATIVE MATTERS

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Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Department of Education officials, who will consider them before taking final Departmental action on this audit:

Carmel Martin  
Assistant Secretary  
Office of Planning, Evaluation, and Policy Development  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202

Kevin Jennings  
Assistant Deputy Secretary  
Office of Safe and Drug-Free Schools  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
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Thelma Melendez de Santa Ana  
Assistant Secretary  
Office of Elementary and Secondary Education  
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Alexa Posny  
Assistant Secretary  
Office of Special Education and Rehabilitative Services  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202

It is the policy of the U. S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

/s/

Denise M. Wempe  
Regional Inspector General for Audit

Attachment

## Appendix A

### Acronyms/Abbreviations Used in this Report

AYP	Academic Yearly Progress
CCPS	Clayton County Public Schools
CSPR	Consolidated State Performance Report
CTAE	Career, Technical, and Agricultural Education
Department	U.S. Department of Education
EDEN	Education Data Exchange Network
ESOL	English to Speakers of Other Languages
ESS	Education Data Exchange Network (EDEN) Submission System
FTE	Full-time Equivalent
FY	Fiscal Year
GaDOE	Georgia Department of Education
GSSIS	Georgia Statewide Student Information System
ISS	In-school Suspension
K-12 <sup>th</sup>	Kindergarten through 12th
LEA	Local Educational Agency
OMB	Office of Management and Budget
OPEPD	Office of Planning, Evaluation, and Policy Development
OSS	Out-of-school Suspension
PDS	Persistently Dangerous Schools
SEA	State Education Agency
SY	School Year
VIOWINJ	Violent Incident With Physical Injury
VIOWOINJ	Violent Incident Without Physical Injury

**Appendix B**

**Summary Results of Selected Program Reviews**

<b>Program Office</b>	<b>Program Review Year</b>	<b>Sample Size</b>	<b>Percent of Sampled Reviews Sufficient<sup>(a)</sup>, in Determining LEA Program Compliance, or Undeterminable</b>	<b>Sufficient<sup>(b)</sup> Number of Reviews Performed</b>	<b>Percent of Reviews that did <u>not</u> Test Accuracy of EDFacts Data</b>
Title I Cross-Functional Monitoring <sup>(c)</sup>	2006-07	12	41.7% suffic. 58.3% undeterm.	Yes; 1/3 of LEAs	100%
	2007-08	13	100% suffic.	Yes; 1/3 of LEAs	100%
Title X, McKinney-Vento Homeless	2006-07	8	100% suffic.	Yes; all LEAs <sup>(d)</sup>	100%
	2007-08	9	100% suffic.	Yes; all LEAs <sup>(d)</sup>	100%
Perkins IV CTAE	2006-07	6	100% suffic.	Yes; 1/5 of LEAs	100%
	2007-08	6	100% suffic.	Yes; 1/5 of LEAs	100%
Title III - ESOL	2006-07	n/a <sup>(e)</sup>	n/a	n/a	n/a
	2007-08	5	100% suffic.	Yes; 1/3 of LEAs	100%
IDEA – Special Education	2006-07	11	45.5% adeq. 54.5% undeterm.	Yes; 1/3 of LEAs	100%
	2007-08	10	50% adeq. 50% undeterm.	Yes; 1/3 of LEAs	100%

(a) Sufficient - the review included a sufficient number of documented review questions/answers; and if there were any findings, then explanations and recommendations were included.  
 (b) Sufficient number of reviews - at least 1/5 of the LEAs are reviewed each year  
 (c) Includes a combined review of Title I, Title II-A, Title V-Part A, and Title VI-Part B  
 (d) All LEAs participating in the Homeless Program  
 (e) ESOL office did not start performing program reviews until the 2007-08 school year



Kathy Cox, State Superintendent of Schools

Office of the State Superintendent of Schools

March 22, 2010

Ms. Denise M. Wempe  
U.S. Department of Education  
Office of the Inspector General  
61 Forsyth Street, SW  
Suite 18T71  
Atlanta, GA 30303

Control Number: ED-OIG/A04J0003

Dear Ms. Wempe:

Enclosed you will find the Georgia Department of Education (GaDOE) response to the findings and recommendations presented in the audit of *Georgia Department of Education's Controls Over Performance Data Entered in ED Facts* draft audit report.

### **GENERAL OBJECTION**

GaDOE strongly objects to the two findings issued in the draft audit report and considers the draft audit report to be grossly unfair. GaDOE's objection is that the findings are based on "program requirements" when no such requirements exist in federal law, regulation or guidance. It is unclear why these additional "program requirements" apply only to GaDOE. If these "program requirements" are truly federal requirements for which auditing is appropriate, then these "program requirements" should be properly promulgated and applied to all SEAs not just the ones who are audited.

### **FINDING NO.1 – Inadequate Systems of Internal Control Over Reported Data**

GaDOE does not concur with this finding for the reasons summarized below.

#### *Recommendation 1.4*

GaDOE does not concur with this recommendation. GaDOE's internal controls over this process meet federal regulations and no additional corrective action is needed on our part.

Ms. Denise M. Wempe  
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*Recommendation 1.5*

GaDOE does not concur with this recommendation. In the data collection process, many business rules are applied to the data resulting in errors or warnings that are sent back to the school district. These errors and warnings are the result of invalid values, inaccurate reporting, and percentage differences on year-to-year comparisons. Before data are ready for LEA superintendent signoff, all errors must be corrected. Consequently, GaDOE believes that our internal controls over this process are in compliance with federal regulations and no additional corrective action is needed.

*Recommendation 1.6*

GaDOE does not concur with this recommendation. GaDOE followed the federal guidelines which were in place for the 2006-07 school year. The guidelines cited in the draft audit report were for the 2007-08 school year. GaDOE does not agree that data collected in the 2006-07 school year should follow guidance issued for the 2007-08 school year since such guidance did not exist at the time the data was collected. Following **future** guidance is impossible for any department. GaDOE can only follow the guidance in force at the time the data was collected. GaDOE did so. GaDOE has and intends to continue to follow current federal guidance. GaDOE does not agree that additional corrective action is needed.

*Recommendation 1.7*

GaDOE does not concur with this recommendation. Once GaDOE collects the data, it is archived and used immediately for various purposes such as AYP determinations and report card publication as well as responding to data requests. This data is provided to numerous individuals, entities and organizations. Once the data is archived, GaDOE does not allow any changes to the data. Consequently, GaDOE does not agree that additional corrective action is needed.

**FINDING NO.2 – Program Reviews Do Not Ensure the Accuracy of Reported Data**

GaDOE does not concur with this finding for the reasons summarized below.

*Recommendation 2.1*

GaDOE does not concur with this recommendation. Program reviews are not required to “test the accuracy of ED Facts reported data” and GaDOE does not know of any such federal requirement that exists in law, regulation, or guidance. GaDOE notes that the auditors have not cited any legal or binding authority that requires such action. The federal Ed Facts office uses the same data verification procedures that are currently used by GaDOE. This requirement was seemingly created by your audit team without adequate knowledge regarding ED Facts or the programs reviewed in your audit. Last, GaDOE program reviews are modeled after the program reviews conducted by the U.S. Department of Education and follow the federal regulations set forth by their respective federal program office.

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GaDOE's current process of having the LEA superintendent signoff and attest to the certification set forth below is a sufficient control. The LEA superintendent attests as follows:

*"I certify that the information above, as well as the information on all (data collection activity) reports available for this school district on the FTE web site, is accurate and complete. I hereby acknowledge that this information will be used for funding purposes and in reporting to the legislature and other policy makers, to federal and state agencies, and in the Georgia Public Education Report Card. I have reviewed the explanatory notes regarding warnings of potentially discrepant data, and I am satisfied that these notes are accurate."*

Since the control in place is sufficient, GaDOE believes that no further corrective action is needed.

*Recommendation 2.2*

GaDOE does not concur with this recommendation. Our Special Education program reviews are documented as required by federal law. Therefore, GaDOE does not believe that further corrective action is needed in this area.

In conclusion, GaDOE urges you to carefully consider our position on these finding and that they be reconsidered in light of the fact that they are apparently based on unwritten, unpublished and therefore unreasonable standards. If you have any questions or concerns about the foregoing, please contact my Chief of Staff Stephen Pruitt at 404-657-6165.

Sincerely,

Kathy Cox

KC/gs