Intro to Pupil Auditing

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MPAAA Workshop

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Agenda

- Important Resources
- Acronyms
- Audit Preparation
- Audit
  - Desk
  - Field
- Audit wrap up
- Narrative
- Quality Control Review (QCR)
- Comments/Questions

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Key Materials

- Pupil Accounting Manual –
  - http://www.michigan.gov/mde/0,1607,7-140-5235_6539-22360--,00.html
- Pupil Auditing Manual –
  - http://www.michigan.gov/documents/mde/MDE_PUPIL_MEMBERSHIP_AUDITING_MANUAL_2015-16_505832_7.pdf
- The State School Aid Act of 1979
  - http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-94-of-1979.pdf
- Other resources:
- MPAAA - Conference Materials
  - mpaaa.org
- CEPI - MSDS Website and Listserv
  - www.michigan.gov/cepi
- MDE – Pupil Accounting & Auditing Manuals
  - www.michigan.gov/mde
- Other ISD Auditors

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Acronyms

- AB – Absent
- ABE – Adult Basic Education
- Alt Ed – Adult or Alternative Education
- BAA – Bureau of Assessment & Accountability
- CEPI – Center for Educational Performance and Information
- CIP – Classification of Instruction Program (CTE classes)
- DS4061 – Audited Audit Form
- DS4120 – Unaudited Audit Form
- EC – Early Childhood
- ESL – English as a Second Language
- FTE – Full Time Equivalency
- GAD – Graduation and Dropout
- GED – General Education Development Preparation

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Acronyms

- ECBG – Early Childhood Block Grant
- GSRP – Great Start Readiness Program (Early Childhood)
- HSC – High School Completion
- IDEA – Individuals with Disabilities Education Act
- IEP – Individualized Education Program (Special Education)
- IEPC – Individualized Educational Planning Committee
- ISS – In School Suspension
- LEA – Local Education Agency
- LEP – Limited English Proficient
- MCL – Michigan Compiled Laws
- MDE – Michigan Department of Education
- MSDS – Michigan Student Data System
- NCLB – No Child Left Behind

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Acronyms

- OSS – Out of School Suspension
- PAM– Pupil Accounting Manual
- PEPE – Primary Education Providing Entity
- POP I – Conventional Students that are present all day
- POP II – Conventional Students that are absent a portion of the day
- POP III – Non Conventional Students
- PSA – Public School Academy
- Section 21f – Expanded Online Learning
- Section 23a – Dropout/Recovery Programs
- Section 25e – Money follows the students
- UIC – Unique Identification Code
- USED – United States Education Department
- XML File Format – Extensible Markup Language

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Audit Preparation

- Single Sign-On Registration
  - Michigan.gov/cepi
  - CEPI Applications
  - Michigan Student Data System
  - Under Manuals
  - Single Sign-On User's Guide



3. Your User ID will be generated from your last name and first initial, plus a four-digit number. You can enter a specific number, or the system can generate one randomly. Enter the security number as indicated and click **Continue**.

State of Michigan Single Sign On

REGISTRATION- Step 2

Please Enter a four digit number to create a unique UserID : doej 2814 Why should I enter this number? (OR) Please generate a random four digit number for me ○ Yes ● No

Enter the number as it is shown in the box below * 34729

Back Continue Clear 34729

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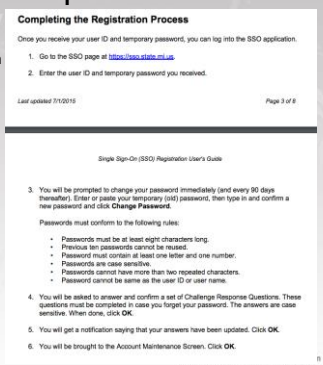
Note: Users with a state of Michigan email address do not need to complete this step

4. You will be taken to the "User Registration Confirmation" screen. Confirm that the name and email address are correct. This email address is where your User ID and password will be sent. Make a note of your User ID and click **Submit**.
5. You will then be presented with confirmation that the system has accepted your registration data. Click the **Close** button.
6. You will receive a temporary password via email within 24 hours of your request. The email message will come from SSO_Administrator@michigan.gov and be titled "New UserID Information from State of Michigan Single Sign On."

***Note:** If you have not received your SSO password within 24 hours, please check your junk or spam filter, then email CEPI Customer Support for assistance at CEPI@michigan.gov.

Audit Preparation

- Completing the Registration Process



Completing the Registration Process

Once you receive your user ID and temporary password, you can log into the SSO application.

1. Go to the SSO page at https://sso.state.mi.us.
2. Enter the user ID and temporary password you received.

Last updated 7/1/2015 *Page 3 of 8*

Single Sign-On (SSO) Registration User's Guide

3. You will be prompted to change your password immediately (and every 90 days thereafter). Enter or paste your temporary (old) password, then type in and confirm a new password and click **Change Password**.

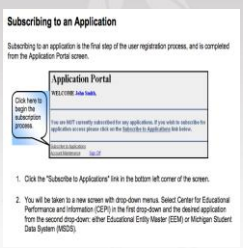
   Passwords must conform to the following rules:

   - Passwords must be at least eight characters long.
   - Previous ten passwords cannot be reused.
   - Password must contain at least one letter and one number.
   - Passwords are case sensitive.
   - Passwords cannot have more than two repeated characters.
   - Password cannot be same as the user ID or user name.

4. You will be asked to answer and confirm a set of Challenge Response Questions. These questions must be completed in case you forget your password. The answers are case sensitive. When done, click **OK**.
5. You will get a notification saying that your answers have been updated. Click **OK**.
6. You will be brought to the Account Maintenance Screen. Click **OK**.

Audit Preparation

- Subscribing to an Application



Subscribing to an Application

Subscribing to an application is the final step of the user registration process, and is completed from the Application Portal screen.

Application Portal

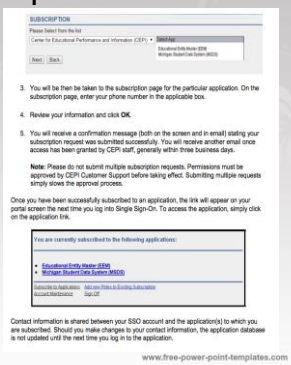
WELCOME John Smith.

Click here to begin the subscription process.

You are NOT currently subscribed for any applications. If you wish to subscribe for application access please click on the Subscribe to Applications link below.

Subscribe to Applications
Account Maintenance Sign Off

1. Click the "Subscribe to Applications" link in the bottom left corner of the screen.
2. You will be taken to a new screen with drop-down menus. Select Center for Educational Performance and Information (CEPI) in the first drop-down and the desired application from the second drop-down: either Educational Entity Master (EEM) or Michigan Student Data System (MSDS).



SUBSCRIPTION

Please Select from the list

Center for Educational Performance and Information (CEPI) • Select App

Educational Entity Master (EEM)
Michigan Student Data System (MSDS)

Next Back

3. You will be then be taken to the subscription page for the particular application. On the subscription page, enter your phone number in the applicable box.
4. Review your information and click **OK**.
5. You will receive a confirmation message (both on the screen and in email) stating your subscription request was submitted successfully. You will receive another email once access has been granted by CEPI staff, generally within three business days.

Note: Please do not submit multiple subscription requests. Permissions must be approved by CEPI Customer Support before taking effect. Submitting multiple requests simply slows the approval process.

Once you have been successfully subscribed to an application, the link will appear on your portal screen the next time you log into Single Sign-On. To access the application, simply click on the application link.

You are currently subscribed to the following applications:

- Educational Entity Master (EEM)
- Michigan Student Data System (MSDS)

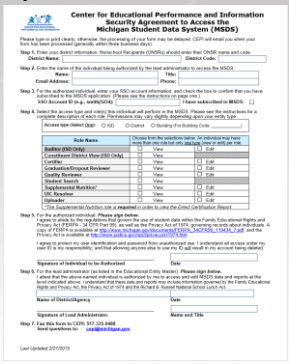
Subscribe to Applications Add new Roles to Existing Subscription
Account Maintenance Sign Off

Contact information is shared between your SSO account and the application(s) to which you are subscribed. Should you make changes to your contact information, the application database is not updated until the next time you log in to the application.

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Audit Preparation

- MSDS Security Agreement
  - Michigan.gov/cepi
  - CEPI Applications
  - Michigan Student Data System
  - MSDS Security Form (District/ISD/PSA/ONSR Users)
  - At a minimum you need 'Auditor (ISD Only' and mark 'Edit'
  - Your Superintendent will need to sign
  - Completed form fax to CEPI: 517-335-0488



Center for Educational Performance and Information
Security Agreement to Access the
Michigan Student Data System (MSDS)

Please type or print clearly; otherwise, the processing of your form may be delayed. CEPI will email you when your form has been processed (generally within three business days).

Step 1. Enter your district information. Nonschool Recipients (ONSRs) should enter their ONSR name and code.
District Name: _____ District Code: _____

Step 2. Enter the name of the individual being authorized by the lead administrator to access the MSDS.
Name: _____ Title: _____
Email Address: _____ Phone: _____

Step 3. For the authorized individual, enter your SSO account information, and check the box to confirm that you have subscribed to the MSDS. (If you do not know this, please see the instructions on page 2.)
SSO Account ID (e.g., xxxMySSO#): _____ I have subscribed to MSDS: ☐

Step 4. Select the access type and role(s) the individual will perform in the MSDS. Please see the instructions for a complete description of each role. Permissions may vary slightly depending upon your entity type.
Access type Desired: Dept ☐ ISD ☐ District ☐ Building (For Building Code: _____)

Role Name	Choose from the selections below. An individual may have more than one role but only view or edit per role.	
Auditor (ISD Only)	☐ View	☐ Edit
Constituent District View (ISD Only)	☐ View	
Certifier	☐ View	☐ Edit
Graduation/Dropout Reviewer	☐ View	☐ Edit
Quality Reviewer	☐ View	☐ Edit
Student Search	☐ View	
Supplemental Nutrition*	☐ View	☐ Edit
ISD Selector	☐ View	☐ Edit
Power User	☐ View	☐ Edit

*The Supplemental Nutrition role is **required** in order to view the Direct Certification Report.

Step 5. For the authorized individual. **Please sign below.**
I agree to use the MSDS only for the purposes of one of student data within the Family Educational Rights and Privacy Act (FERPA – 34 CFR Part 99), as well as the Privacy Act of 1974, governing records about individuals. A copy of FERPA is available at http://www.michigan.gov/documents/FERPA_1HOF85_119434_7.pdf and the Privacy Act is available at http://www.justice.gov/opcl/privstat.htm#1974.htm.
I agree to protect my user identification and password from unauthorized use. I understand all access under my user ID is my responsibility, and that allowing anyone else to use my ID will result in my account being deleted.

Signature of Individual to be Authorized _____ Date _____

Step 6. For the lead administrator (as listed in the Educational Entity Master). **Please sign below.**
I agree to use the MSDS only for the purposes of one of student data within the MSDS data and reports at the level indicated above. I understand that these data and reports may include information governed by the Family Educational Rights and Privacy Act, the Privacy Act of 1974 and the Richard B. Russell National School Lunch Act.

Name of District/Agency _____ Date _____

Signature of Lead Administrator _____ Name and Title _____

Step 7. Fax this form to CEPI: 517.335.0488
Send questions to: cepi@michigan.gov

Last Updated 3/27/2015

CEPI

- MSDS Help Desk
  - If you need assistance call CEPI at 517-335-0505
  - Option 3

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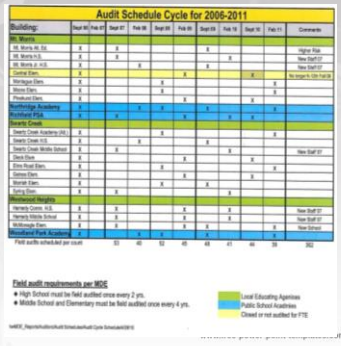
Audit Preparation

- Read Pupil Auditing & Accounting Manual
- Audit Cycle Minimums
  - High Schools Every 2 Years
  - Middle Schools Every 4 Years
  - Elementary Schools Every 4 Years
    - May Be More Often Depending on Risk Assessment
    - At least one building or program must be field audited for each district or PSA each year (PAM page 4)
- Keep Chart Showing Audit Cycle (Sample Next Slide)

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Audit Preparation

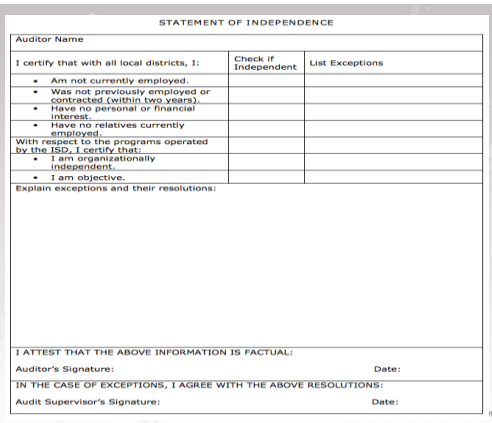
- Email Field Audit Planning Schedule annually to the Pupil Membership Auditor, MDE (Gloria Suggitt)
  - This is due no later than November 1



Audit Preparation

- Statement of Independence
  - Must be completed once a year for each district
  - (Page 50 Pupil Auditing Manual)
  - Conflict, delegate/supervise
- Auditors may not audit their own work
  - (Page 1 Pupil Auditing Manual under Introduction)
- Conflicts could include:
  - Currently employed by the school district, building, or program to be audited
  - Formerly employed by the school district, building, or program (within the preceding two years)
  - Auditor has relatives currently employed by the school district, building or program
  - Auditor has a personal or financial interest (e.g., service or employment contract with the school district)

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STATEMENT OF INDEPENDENCE

Auditor Name		
I certify that with all local districts, I:	Check if Independent	List Exceptions
• Am not currently employed.		
• Was not previously employed or contracted (within two years).		
• Have no personal or financial interest.		
• Have no relatives currently employed.		
With respect to the programs operated by the ISD, I certify that:		
• I am organizationally independent.		
• I am objective.		
Explain exceptions and their resolutions:		
I ATTEST THAT THE ABOVE INFORMATION IS FACTUAL: Auditor's Signature: Date:		
IN THE CASE OF EXCEPTIONS, I AGREE WITH THE ABOVE RESOLUTIONS: Audit Supervisor's Signature: Date:		

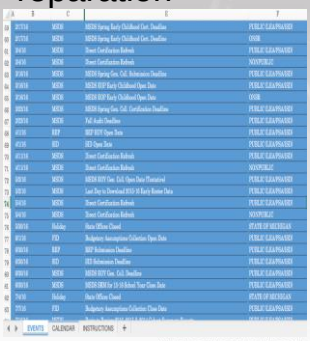
Audit Preparation

- Assist Locals
  - Training
  - Centralized
  - Individualized
- Be available to assist
  - More training provided before audit, the easier the audit will be

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Audit Preparation

- MSDS Timelines
  - CEPI website (michigan.gov/cepi)
    - » CEPI applications
    - » Michigan Student Data System
    - » CEPI Calendar Page
    - » CEPI Master Calendar
      - » Two views (events & calendar)



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Audit Preparation

- Notification of Audit
- Who is notified
  - Pupil Accountant, Building Administrators & Superintendents
  - List building's
  - Specify date and time
- Establish Timeline with Local Districts
  - Required documentation
  - Due date

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Audit Preparation

- Required documentation
  - Separate List of required documentation/forms for each building level and/or program
  - What **must** be printed on count day
    - Alpha/Membership Report
      - Printed from MSDS and signed by building principal or authorized representative
        - » Auditor may require from SIS
    - Student Locators (schedules)
    - Enrollment Summary from SIS

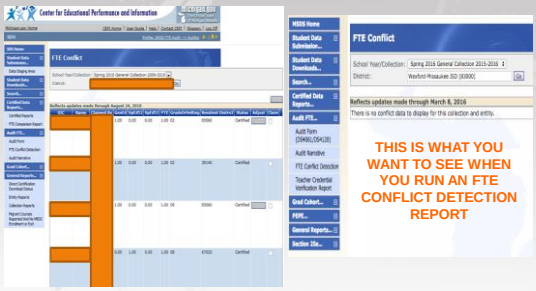
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Audit Preparation

- UIC
  - Run FTE Conflict Detection Report in MSDS
    - https://sso.state.mi.us/
  - Audit FTE
    - FTE Conflict Detection
    - School Year/Collection
  - District
    - If you input ISD/RESA/ESD District Code you will receive results for all schools within your ISD/RESA/ESD. (sample next slide) When Conflicts are found
    - Email ISD Auditor and Local LEA
    - Only use UIC – No student names/data

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Audit Preparation



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Audit Preparation

- Building Risk Assessment Form
  - (Page 58 Pupil Auditing Manual)
  - Must be completed for each building/ program and each field audit
  - Complete prior to audit
  - Based on previous audit



BUILDING RISK ASSESSMENT FORM – FOR ISD AUDITOR USE

District: _____ Building: _____
School Year: _____ Count: _____ Fall _____ Spring
Completed by: _____ Audit Date: _____

Instructions: This form may be used to document the assessment of risk of the buildings/programs that will be field audited. Generally, the higher potential for errors, the higher the risks that the pupil membership counts are not accurate. Consider the risk factors listed below (High [H], Moderate [M], Low [L]), and place a check in the space beside the factors that significantly influence the risk for the audit area.

	Risk Factor			Comments
	H	M	L	
1. The results of the prior field and desk audits. (Error rates over 5% are high risk.)				
2. The existence of district count procedures and controls. (Detailed procedures generally provide a lower risk.)				
3. The experience of district personnel assigned to process pupil count data per Local District Planning Form. (Experienced staff generally provides a lower risk.)				
4. The frequency of pupil absenteeism noted during the count period. (High absenteeism generally reflects a higher risk.)				
5. The number of nonconventional pupils attending the building. (Larger population of nonconventional pupils reflects a higher risk.)				
6. The number of State School Aid Act §25e adjustments. (Larger number of denied adjustments by the receiving district indicates higher risk.)				

Based on the foregoing considerations, the risk for this building is assessed as follows:	Overall Risk Assessment		
Building Risk Assessment:	High	Moderate	Low
Pop I – Conventional pupils present on count day			
Pop II – Conventional pupils absent on all or part of count day			
Pop III – Nonconventional pupils			

Building Risk Assessment – Sample Size Percentages	High	Moderate	Low
Pop I – Conventional pupils present on count day	15%	10%	2%
Pop II – Conventional pupils absent on all or part of count day	20%	15%	10%
Pop III – Nonconventional pupils	20%	15%	10%

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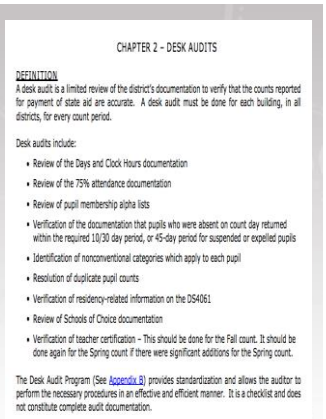
Audit Preparation

- Determine Sample Size
  - After completing Risk Assessment Form
  - (Page 10 - 11 Pupil Auditing Manual – directions)
  - (Page 58 Pupil Auditing Manual – form)
- Round number UP to the next whole number
  - E.g., If building has 135 pupils in Pop I and you need to audit 2% the number of pupils need to audit is 2.7, round up to 3. Must be completed for each building/ program and each field audit
- Complete prior to audit
- Based on previous audit

	Low Risk	Moderate Risk	High Risk
Population I	2%	10%	15%
Population II	10%	15%	20%
Population III	10%	15%	20%

DESK AUDIT

- Audit Information
  - Desk Audit (Page 6, Chapter 2 in the Pupil Auditing Manual)



CHAPTER 2 – DESK AUDITS

DEFINITION

A desk audit is a limited review of the district's documentation to verify that the counts reported for payment of state aid are accurate. A desk audit must be done for each building, in all districts, for every count period.

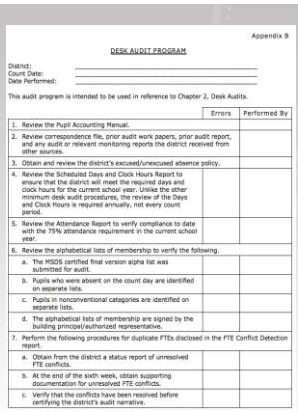
Desk audits include:

- Review of the Days and Clock Hours documentation
- Review of the 75% attendance documentation
- Review of pupil membership alpha lists
- Verification of the documentation that pupils who were absent on count day returned within the required 10/30 day period, or 45-day period for suspended or expelled pupils
- Identification of nonconventional categories which apply to each pupil
- Resolution of duplicate pupil counts
- Verification of residency-related information on the DS4061
- Review of Schools of Choice documentation
- Verification of teacher certification – This should be done for the Fall count. It should be done again for the Spring count if there were significant additions for the Spring count.

The Desk Audit Program (See Appendix B) provides standardization and allows the auditor to perform the necessary procedures in an effective and efficient manner. It is a checklist and does not constitute complete audit documentation.

Desk Audit

- Desk Audit Program – Appendix B (page 52– 54)
- Must be completed for each building/program



Appendix B

DESK AUDIT PROGRAM

District:
Count Date:
Date Performed:

This audit program is intended to be used in reference to Chapter 2, Desk Audits.

	Errors	Performed By
1. Review the Pupil Accounting Manual.		
2. Review correspondence file, prior audit work papers, prior audit report, and any audit or relevant monitoring reports the district received from other sources.		
3. Obtain and review the district's excused/unexcused absence policy.		
4. Review the Scheduled Days and Clock Hours Report to ensure that the district will meet the required days and clock hours for the current school year. Unlike the other minimum desk audit procedures, the review of the Days and Clock Hours is required annually, not every count period.		
5. Review the Attendance Report to verify compliance to date with the 75% attendance requirement in the current school year.		
6. Review the alphabetical lists of membership to verify the following.		
a. The MSDS certified final version alpha list was submitted for audit.		
b. Pupils who were absent on the count day are identified on separate lists.		
c. Pupils in nonconventional categories are identified on separate lists.		
d. The alphabetical lists of membership are signed by the building principal/authorized representative.		
7. Perform the following procedures for duplicate FTEs disclosed in the FTE Conflict Detection report.		
a. Obtain from the district a status report of unresolved FTE conflicts.		
b. At the end of the sixth week, obtain supporting documentation for unresolved FTE conflicts.		
c. Verify that the conflicts have been resolved before certifying the district's audit narrative.		

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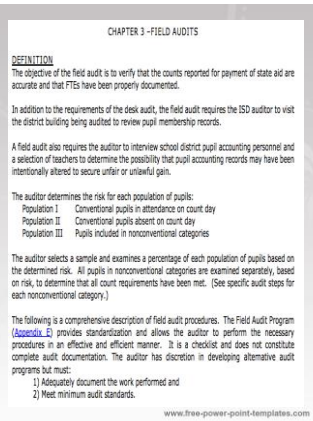
Desk Audit

- Calendar
  - Review days (175 days of instruction pursuant to Section 101(3)(a))
  - Review daily clock hours (1,098 minimum)
- Note For End of School Year:
  - DS4168 – District Deadline is July 15 (Electronic in EEM)
  - DS4168 – ISD Audit Deadline is August 1 (Electronic in EEM)
    - 75% Attendance Report
    - Building/District Calendars
    - List of Cancelled Days

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Field Audit

- Audit Information
  - Field Audit (Page 10, Chapter 3 in the Pupil Auditing Manual)



CHAPTER 3 –FIELD AUDITS

DEFINITION

The objective of the field audit is to verify that the counts reported for payment of state aid are accurate and that FTEs have been properly documented.

In addition to the requirements of the desk audit, the field audit requires the ISD auditor to visit the district building being audited to review pupil membership records.

A field audit also requires the auditor to interview school district pupil accounting personnel and a selection of teachers to determine the possibility that pupil accounting records may have been intentionally altered to secure unfair or unlawful gain.

The auditor determines the risk for each population of pupils:

Population I Conventional pupils in attendance on count day
Population II Conventional pupils absent on count day
Population III Pupils included in nonconventional categories

The auditor selects a sample and examines a percentage of each population of pupils based on the determined risk. All pupils in nonconventional categories are examined separately, based on risk, to determine that all count requirements have been met. (See specific audit steps for each nonconventional category.)

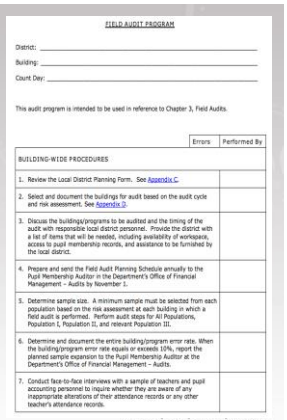
The following is a comprehensive description of field audit procedures. The Field Audit Program (Appendix E) provides standardization and allows the auditor to perform the necessary procedures in an effective and efficient manner. It is a checklist and does not constitute complete audit documentation. The auditor has discretion in developing alternative audit programs but must:

1) Adequately document the work performed and
2) Meet minimum audit standards.

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Field Audit

- Condensed Building Field Audit Program
  - (Page 60-79 Pupil Auditing Manual)
- Complete at same time as audit
- Guides through each Pop and what you are required to audit



FIELD AUDIT PROGRAM

District: _____

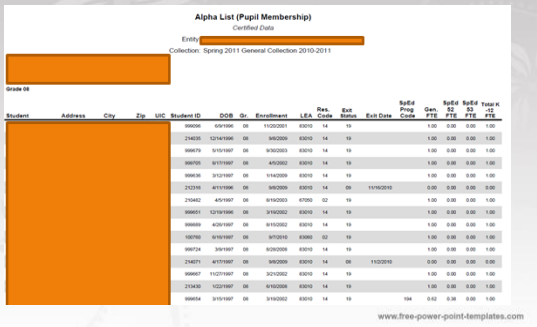
Building: _____

Count Day: _____

This audit program is intended to be used in reference to Chapter 3, Field Audits.

	Errors	Performed By
BUILDING-WIDE PROCEDURES		
1. Review the Local District Planning Form. See Appendix C.		
2. Select and document the buildings for audit based on the audit cycle and risk assessment. See Appendix D.		
3. Discuss the building(s)/programs to be audited and the timing of the audit with responsible local district personnel. Provide the district with a list of items that will be needed, including availability of workspace, access to pupil membership records, and assistance to be furnished by the local district.		
4. Prepare and send the Field Audit Planning Schedule annually to the Pupil Membership Auditor in the Department's Office of Financial Management – Audits by November 1.		
5. Determine sample size. A minimum sample must be selected from each population based on the risk assessment at each building in which a field audit is performed. Perform audit steps for All Populations, Population I, Population II, and relevant Population III.		
6. Determine and document the entire building/program error rate. When the building/program error rate equals or exceeds 10%, report the planned sample expansion to the Pupil Membership Auditor at the Department's Office of Financial Management – Audits.		
7. Conduct face-to-face interviews with a sample of teachers and pupil accounting personnel to inquire whether they are aware of any inappropriate alterations of their attendance records or any other teacher's attendance records.		

Field Audit



Alpha List (Pupil Membership)

Certified Data

Entity: [redacted]

Collection: Spring 2011 General Collection 2010-2011

[redacted]

Grade 08

Student	Address	City	Zip	UIC	Student ID	DOB	Gr.	Enrollment	LEA	Res. Code	Exit Status	Exit Date	SpEd Prog Code	Gen. FTE	SpEd S2 FTE	SpEd S3 FTE	Total K-12 FTE
[redacted]					999096	6/9/1996	08	11/20/2001	83010	14	19			1.00	0.00	0.00	1.00
					214035	12/14/1996	08	9/6/2009	83010	14	19			1.00	0.00	0.00	1.00
					999979	5/10/1997	08	9/30/2003	83010	14	19			1.00	0.00	0.00	1.00
					999705	9/17/1997	08	4/5/2002	83010	14	19			1.00	0.00	0.00	1.00
					999636	3/12/1997	08	1/14/2009	83010	14	19			1.00	0.00	0.00	1.00
					212316	4/11/1996	08	9/6/2009	83010	14	09	11/16/2010		0.00	0.00	0.00	0.00
					210482	4/5/1997	08	9/19/2003	67050	02	19			1.00	0.00	0.00	1.00
					999651	12/19/1996	08	3/19/2002	83010	14	19			1.00	0.00	0.00	1.00
					999869	4/26/1997	08	9/15/2002	83010	14	19			1.00	0.00	0.00	1.00
					100760	9/10/1997	08	9/7/2010	83080	02	19			1.00	0.00	0.00	1.00
					999724	3/9/1997	08	8/29/2006	83010	14	19			1.00	0.00	0.00	1.00
					214071	4/17/1997	08	9/6/2009	83010	14	08	11/2/2010		0.00	0.00	0.00	0.00
					999667	11/27/1997	08	3/21/2002	83010	14	19			1.00	0.00	0.00	1.00
					213430	1/22/1997	08	9/10/2008	83010	14	19			1.00	0.00	0.00	1.00
					999654	3/15/1997	08	3/19/2002	83010	14	19		194	0.62	0.38	0.00	1.00

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Field Audit

- Alpha list additional items
- Identify FTE less than 1.00
- Identify Special Education
- Identify Residency
- Identify each Pop III for sample



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Field Audit

- Review samples in:
  - Pop I – Conventional Student
  - Pop II – Absent Student
  - Pop III – Non-Conventional Student
  - Verify attendance for all “sample” pupils
  - Compare Worksheet A or B to Alpha/Membership from MSDS
  - Compare Worksheet A or B to DS-4061
  - Check Program Codes
  - Review Supporting Documentation

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Field Audit

- Additional K-12 information
- Verify alternative education/adult education
- Teacher Interviews
- Teacher Certification Checks

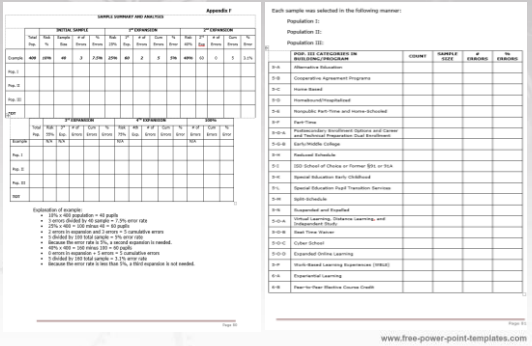
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Audit

- Determine error rate for each Population
  - Pupil Auditing Manual Page 13-14)
- Complete Sample Summary & Analysis (Pupil Auditing Manual page 44-45)
- When error rate is 5% or greater in any of the Pop groups, you must expand audit (Appendix F (page 80)sample next slide)
  - First expansion – 25%
  - Second expansion – 40%
  - Third expansion – 55%
  - Fourth expansion – 75%
  - Final expansion – 100%
- In all cases when an auditor has determined that the building/program error rate is equal to or exceeds 10%, the auditor IS REQUIRED to report the planned sample expansion to the Office of Audits of the Michigan Department of Education. (Pupil Auditing Manual page 14)

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Audit



Appendix F

SAMPLE SUMMARY AND ANALYSIS

	Total Pop.	Risk %	Sample Pop.	# of Errors	% Errors	Risk 10%	1st Exp. Pop.	# of Errors	Cum Errors	% Error	Risk 20%	2nd Exp. Pop.	# of Errors	Cum Errors	% Error
Example	400	10%	40	3	7.5%	20%	80	2	5	3%	40%	40	0	5	3.0%
Pop. I															
Pop. II															
Pop. III															
TOT															

	Total Pop.	Risk %	3rd Exp. Pop.	# of Errors	Cum Errors	% Error	Risk 75%	4th Exp. Pop.	# of Errors	Cum Errors	% Error	# of Errors	Total Errors	% Error
Example		N/A	N/A				N/A					N/A		
Pop. I														
Pop. II														
Pop. III														
TOT														

Explanation of example:
- 10% x 400 population = 40 pupils
- 7.5% error rate in initial sample = 3% error rate
- 20% x 400 = 100 minus 40 = 60 pupils
- 2 errors in expansion and 3 errors = 5 cumulative errors
- 5 divided by 100 total sample = 5% error rate
- Because the error rate is 5%, a second expansion is needed.
- 40% x 100 = 40 pupils in 2nd expansion
- 0 errors in expansion + 5 errors = 5 cumulative errors
- 5 divided by 160 total sample = 3.1% error rate
- Because the error rate is less than 5%, a third expansion is not needed.

Each sample was selected in the following manner:

Population I:

Population II:

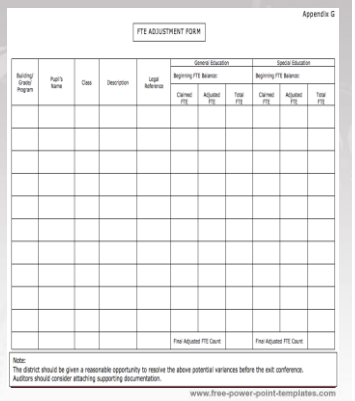
Population III:

POP. 111 CATEGORIES IN BUILDING/PROGRAM	COUNT	SAMPLE SIZE	# ERRORS	% ERRORS
Alternative Education				
Cooperative Agreement Programs				
Home Based				
Homebound/Hospitalized				
Nonpublic Part-Time and Home-Schooled				
Part-Time				
Postsecondary Enrollment Options and Career and Technical Preparation Dual Enrollment				
Early/Middle College				
Reduced Schedule				
ISD School of Choice or Former SY4 or SY5				
Special Education Early Childhood				
Special Education Pupil Transition Services				
Split-Schedule				
Suspended and Expelled				
Virtual Learning, Distance Learning, and Independent Study				
Seat Time Waiver				
Cyber School				
Expanded Online Learning				
Work-Based Learning Experiences (WBLE)				
Experiential Learning				
Peer-to-Peer Elective Course Credit				

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Audit

- Use the FTE Adjustment Form to record FTE adjustments
  - Additions
  - Subtractions



Appendix G

FTE ADJUSTMENT FORM

Building/ Grade/ Program	Pupil's Name	Class	Description	Legal Reference	General Education			Special Education		
					Beginning FTE Balance:			Beginning FTE Balance:		
					Claimed FTE	Adjusted FTE	Total FTE	Claimed FTE	Adjusted FTE	Total FTE
					Final Adjusted FTE Count:			Final Adjusted FTE Count:		

Note:
The district should be given a reasonable opportunity to resolve the above potential variances before the exit conference.
Auditors should consider attaching supporting documentation.

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Field Audit Wrap Up

- Before completion of the audit, the pupil membership audit should contact appropriate local district personnel to discuss the following.
  - Opportunity for the local district to clarify issues or provide additional documentation for questions identified during the audit.
  - General findings – a general comment or an opportunity for the auditor to assist the local school district in identifying ways to improve its documentation or counting procedures to maximize or accurately report FTE memberships.
  - Specific findings, along with the associated FTE adjustments. A specific audit finding is a violation of the State School Aid Act, Revised School Code, Pupil Accounting Administrative Rules, or Pupil Accounting Manual that results in the loss of FTE.
  - District appeal procedures.

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Field Audit Wrap Up

- If a pupil is added as a result of the desk review, the district must enroll the pupil in MSDS and report the enrollment via the Student Record Maintenance (SRM) collection. The district should also provide a new alpha list to the ISD auditor as proof of the correction.
- Record FTE adjustments on the FTE Adjustment Form
- In MSDS, make all DS4061/4120 adjustments at the student level, **NOT THE AGGREATED LEVEL.**

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Narrative

- Requirement - DS-4061 (unaudited FTE Report) saved as DS-4120 (audited FTE Report)
  - Due 24 weeks after the count day
  - CPA must submit pencil changes to the DS4061 to the ISD auditor within 20 weeks of the count date.

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Narrative

– Narrative Certification Date
  - November 1, of the following school year (for Fall and Spring)(MCL 388.1618 and HB 4110)
  - Audit Findings (Page 84 – 97 Pupil Auditing Manual)
  - Specific – FTE adjustment
  - General – No FTE adjustment

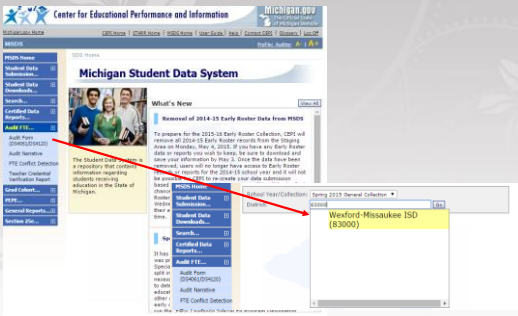
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Narrative

- Audit Reports and Repayments (Page 38 Pupil Auditing Manual)
  - The pupil membership audit narrative report must be built in MSDS
  - If error rate is over 10% you must notify MDE

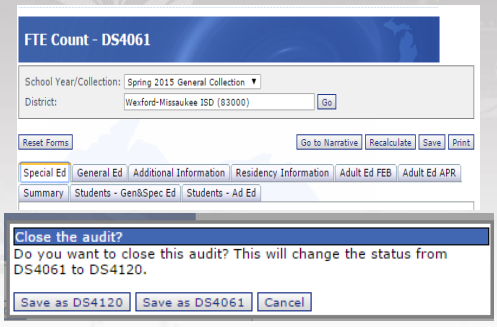
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Audit Form



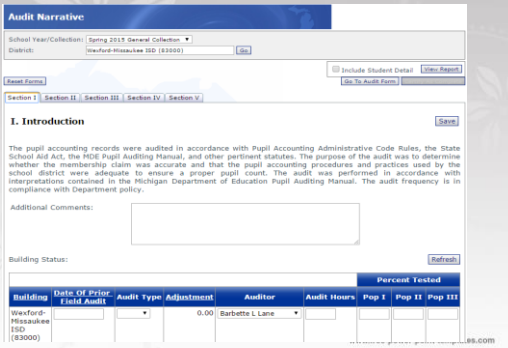
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Audit Form

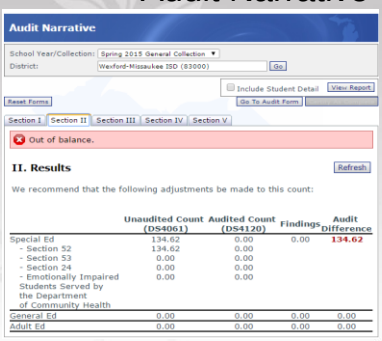


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Audit Narrative



Audit Narrative

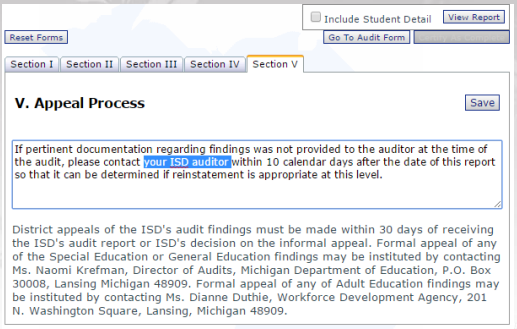


"Out of Balance" stays until the DS4061 is certified as a DS4021

Audit Narrative



Audit Narrative



Quality Control Review (QCR)

- Gloria Suggitt – rotation (minimum once every three years)
  - Checklist
    - What building/program being audited
    - What will be audited
- How to Prepare
  - Gather all audit documents
  - Review audit

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Comments/Questions



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