

LBA Performance Audit Report Summary:

Department of Education No Child Left Behind Audit Report – February 2007

The purpose of the Department of Education (DoE), No Child Left Behind (NCLB) performance audit was to determine how effective and efficient the DoE is at assisting school districts in accessing NCLB funds.

Since the passage of the Elementary and Secondary Education Act of 1965 (ESEA), Congress has authorized billions of dollars in federal grants to improve educational opportunities for the economically disadvantaged. In 1994, Congress reauthorized the ESEA through the Improving America's Schools Act (IASA). The IASA included requirements designed to hold states receiving federal assistance accountable for student progress. States were required to establish academic standards, develop assessment tests to measure student proficiency in reading and math in three grade levels, and identify low-performing schools and districts by determining whether schools were meeting their proficiency goals.

The purpose of NCLB, signed into law on January 8, 2002, is to ensure all children have an equal opportunity to obtain a high-quality education and become proficient on state-defined academic achievement standards. To accomplish its purpose, NCLB further amended the ESEA by revising, reauthorizing, and consolidating programs and extending the authorization of appropriations through federal fiscal year 2007.

The DoE is responsible for implementing State-level requirements of NCLB. Within the DoE, the majority of NCLB funding is managed through the Division of Instruction's Bureaus of Integrated Programs and Accountability. The Bureau of Integrated Programs is responsible for making the majority of formula and competitive grants accessible to school districts and other educational organizations. The Bureau of Accountability is primarily responsible for curriculum, assessments, school standards, and school improvement.

RESULTS IN BRIEF

DoE management is responsible for establishing the control environment over the processes and practices used to make NCLB funding available to school districts and other educational organizations. We found the DoE has weak controls over its management of NCLB funds coming into the State. Our audit presents 14 observations with recommendations demonstrating these weaknesses.

Observations No. 1 through No. 11 focus on the lack of policies and procedures to guide processes and practices used at the DoE to make NCLB funding available to the school districts and other educational organizations. Specifically, we found the DoE lacks policies and procedures in the following areas:

- eligibility notification methods,

- processing and tracking documents submitted to the DoE by school districts and other educational organizations,
- documenting communications with funding applicants,
- follow-up with applicants who do not timely resubmit corrected applications and budgets,
- timely processing of grant authorizations once application approved,
- contacting eligible entities that have not submitted an application and budget,
- monitoring NCLB grants, and
- procurement practices.

The lack of management controls in these areas increases the risk of a breakdown in the processes and practices used at the DoE, which could result in delays implementing education programs that benefit New Hampshire school children and their parents

In Observation No. 12, we recommend the DoE develop controls over its Grants Management System to help ensure information contained in each of the components of the system are reliable, valid and appropriately safeguarded. Recognizing the age and importance of the Grants Management System, we also recommended in Observation No. 13 the DoE develop a business continuity and disaster recovery plan to help mitigate delays that might occur due to a failure of a Grants Management System component.

The DoE engages in many practices and processes but does not have a system to determine effectiveness or efficiency of these practices and processes. In Observation No. 14, we recommend using the auditor position to perform reviews as described in RSA 21-N:4, IX (a). Completion of these reviews would provide DoE management objective information to make decisions regarding the effectiveness and efficiency of practices and processes.