



Department of Education

Internal Audit

Data Integrity Review – Student Enrollment

Issue Date: April 2013

Report Number: 2013-02

Department of Education
Data Integrity Review – Student Enrollment

Executive Summary

AUDIT OF: Student Enrollment Processes	DATE: Fieldwork performed December 2012 – March 2013	AUDIT RATING: Acceptable [<input type="checkbox"/>] Marginal [<input checked="" type="checkbox"/>] Unacceptable [<input type="checkbox"/>]
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INTRODUCTION:

In connection with the Department of Education’s (DOE) Approved Risk Assessment & Audit Plan dated April 17, 2012, Internal Audit (IA) performed a “*Data Integrity Review – Student Enrollment.*” The purpose of this review was to assess the information management controls over the Student Enrollment and Withdrawal processes in place to ensure data is accurate, complete, and consistent and provide efficiency and effectiveness recommendations.

BACKGROUND:

As stated in the Strategic Plan, the DOE strives to ensure all students can reach their fullest potential and attain their aspirations in the 21st century. This starts by ensuring the proper funding resources are allocated to each school and student. The DOE’s System Planning and Improvement Section (SPIS) located in the Systems Accountability Office has the main responsibility for reporting school enrollment data. One of their functions is to coordinate and prepare the official student enrollment projection and the official student enrollment count for each individual school. For the 2012-13 school year (SY), SPIS reported 254 DOE schools and 32 public charter schools. The official public school enrollment is 183,251 students (173,658 students in DOE schools and 9,593 students in public charter schools). With the state allocating approximately \$4,000 per student, the function of SPIS becomes very important as funding for expenditures such as school level employees and equipment are based on the projected and final student enrollment counts. The Weighted Student Formula (WSF) funds available for official enrollment allocation during fiscal year 2012-13 totaled \$750,634,030.

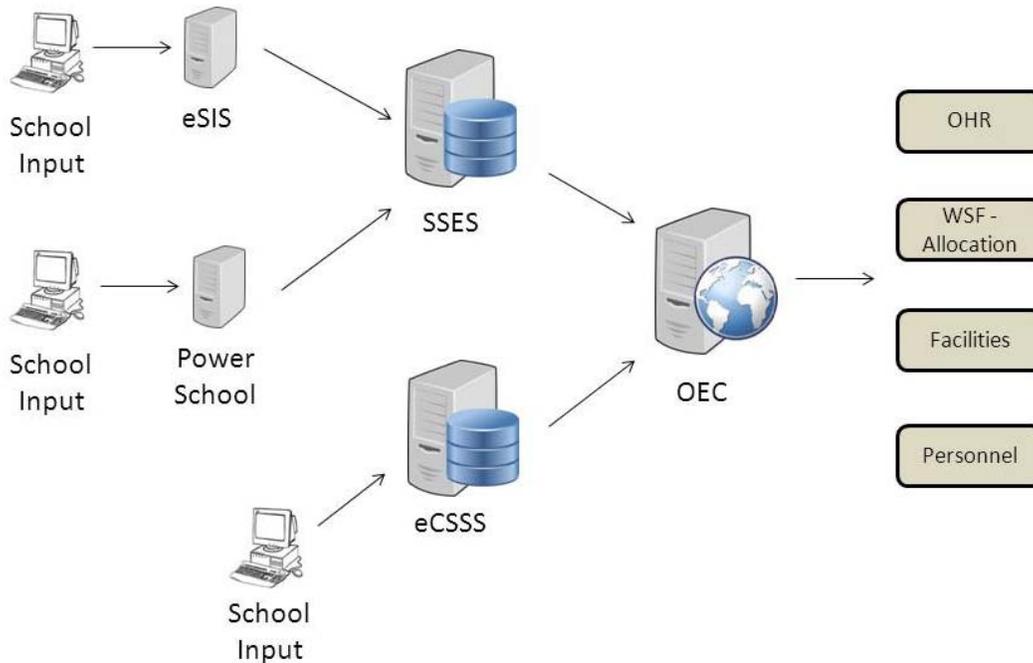
For DOE schools, the student enrollment count is taken three times a year. The first enrollment count is usually taken on the 10th day of school. This count will establish the floor for each school. A second enrollment count is taken at the end of the first quarter, which allows for schools to receive additional funding should there be a large increase of students. The third enrollment count happens at the beginning of the second semester. Similar to the second enrollment count, adjustments are only made if the third enrollment count is higher than the prior two counts.

Each school enters the student enrollment and withdrawal data into either the Student Information System (eSIS) or PowerSchool system. Currently, there are four (4) public charter schools that use PowerSchool: Education Laboratory, Myron B. Thompson Academy, Ke Kula’o Samuel M. Kamakau Laboratory, and Kihei Charter School. Data entry is performed at the school level by the Registrars, Attendance Clerks, Office Clerks, or SASAs. There is a Registrar handbook which includes regulations, policies, and procedures for the enrollment and withdrawal of the students. Once the student enrollment and withdrawal data has been entered into eSIS or PowerSchool, the data is compiled by the Statewide Student Enrollment System (SSES) at the state office level by the Office of Information Technology Services (OITS) Instructional Improvement Systems Section (IISS). SSES data is then reviewed, organized and presented in the Official Enrollment Count (OEC) reports at the state office level by SPIS. Finally, the OEC reports are utilized by the end users including: WSF, Office of Human Resources (OHR), Facilities, and Personnel. OEC per school also has an impact on staffing as well as pay levels as both are determined by the number of students attending.

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Below is a depiction of the enrollment process as described above.



Note: IISS was formerly known as Student Information Services Section (SISS) prior to the 2013 OITS reorganization.

SCOPE and OBJECTIVES:

The scope of our audit included an examination of data integrity for the Student Enrollment and Withdrawal process. We reviewed the design and operating effectiveness of the existing control procedures in place for the Student Enrollment and Withdrawal process. The scope of our review specifically focused on the processes related to the following subcategories:

- Student Enrollments;
- Student Withdrawals;
- Enrollment Count;

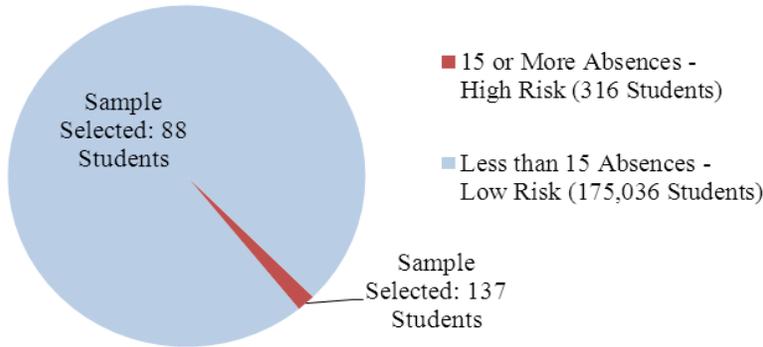
The scope of the detailed testing covered the first month of SY 2012-13, July 30, 2012 through August 24, 2012. For student enrollments, approximately two-thirds (2/3) of the samples selected were targeted towards students with 15 or more absences in the first month of school. The remaining samples were randomly selected. For student withdrawals, approximately two-thirds (2/3) of the samples selected were targeted towards students with eight (8) or more absences in the first two (2) weeks of school. The remaining samples were randomly selected. For the purpose of our detailed testing, a student was considered absent if he/she was absent for more than 50% of the classes each day.

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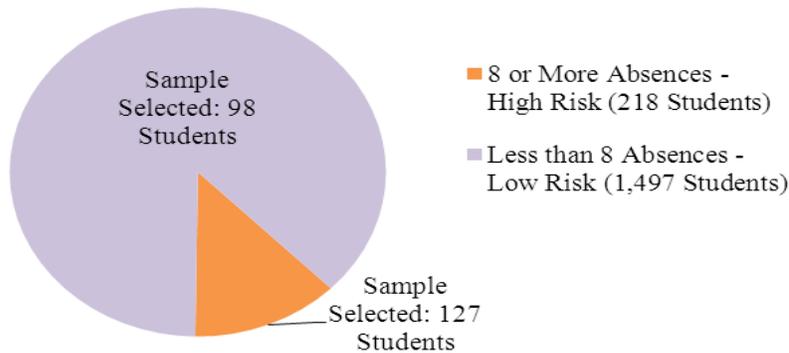
This review excluded detailed testing for public charter schools as they do not follow the same policies and procedures as DOE schools.

Population of Student Enrollment for SY 2012-13



Note: Data extracted from eSIS for the period between the first day of school, July 30, 2012 and the end of the first month of school, August 24, 2012.

Population of Student Transfers for SY 2012-13



Note: Data extracted from eSIS for the period between the first day of school, July 30, 2012 and August 10, 2012 (first two (2) weeks of school).

Statistics:

Student Enrollments

- 225 students from 107 DOE schools were selected detailed testing
- Sample testing included 43% of students with 15 or more absences in the first month of school
- Total population was 175,352 students

Student Withdrawals

- 225 students from 107 DOE schools were selected detailed testing
- Sample testing included 58% of students with eight (8) or more absences in the first two (2) weeks of school
- Total population was 1,715 students

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The objectives of our review included the following:

1. To review, evaluate, and test the design and operating effectiveness of the DOE’s Student Enrollment and Withdrawal process at the DOE schools.
2. To ensure that DOE schools are in compliance with the Student Enrollment and Withdrawal policies and procedures:
 - a. Ensure that enrollment and withdrawal forms are properly completed and retained
 - b. Ensure that student information is properly recorded into the student information system
 - c. Ensure that information for student enrollment and withdrawals are entered timely into the student information system
3. To evaluate the controls in place to determine the accountability measure of ensuring that student enrollment data is valid and reliable.
4. To determine if Student Enrollment and Withdrawal policies and procedures have been updated and communicated to the field.
5. To provide recommendations to improve and enhance the effectiveness and efficiency of the Student Enrollment and Withdrawal processes.

OBSERVATIONS:

Based upon our review, we found the DOE’s controls related to the Student Enrollment and Withdrawal operations are functioning at a “marginal” level. A marginal rating indicates that there may be a potential for loss to the auditable area and ultimately to the DOE. Some improvements are necessary to bring the unit to an acceptable status, and if weaknesses continue without attention, further deterioration of the rating to an unacceptable status may occur.

Please refer to the Risk Ratings section of this report for a complete definition of the ratings used by IA and the Observations and Recommendations section for a detailed description of our findings.

We discussed our preliminary findings and recommendations with management and they were receptive to our findings and agreed to consider our recommendations for implementation.

Each observation presented in this report is followed by specific recommendations that will help to ensure that control gaps are addressed and, if enforced and monitored, will mitigate the control weaknesses. In summary, our review observations are as follows:

1. Lack of oversight, monitoring, and accountability at the DOE school level
2. Lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures
3. Insufficient controls in the Student Enrollment and Withdrawal process
4. Procedures not performed at the DOE school level and required forms and supporting documentation are not completed and/or retained
5. Process inefficiencies where multiple forms serve the same purpose

PLANNED FOLLOW UP BY MANAGEMENT AND INTERNAL AUDIT:

IA will follow up with management on finding’s recommendations and management response.

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Rating Scale Definitions

OVERALL RATING SCALE	
<i>Acceptable</i>	No significant deficiencies exist, while improvement continues to be appropriate; controls are considered adequate and findings are not significant to the overall unit/department.
<i>Marginal</i>	Potential for loss to the auditable unit/department and ultimately to the DOE. Indicates a number of observations, more serious in nature related to the control environment. Some improvement is needed to bring the unit to an acceptable status, but if weaknesses continue without attention, it could lead to further deterioration of the rating to an unacceptable status.
<i>Unacceptable</i>	Significant deficiencies exist which could lead to material financial loss to the auditable unit/department and potentially to the DOE. Corrective action should be a high priority of management and may require significant amounts of time and resources to implement.

OBSERVATION RATING SCALE	
<i>High (1)</i>	<p>1 - The impact of the finding is <i>material</i>¹ and the likelihood of loss is probable in one of the following ways:</p> <ul style="list-style-type: none"> • A material misstatement of the DOE’s financial statements could occur; • The DOE’s business objectives, processes, financial results or image could be materially impaired; • The DOE may fail to comply with applicable laws, regulations or contractual agreements, which could result in fines, sanctions and/or liabilities that are material to the DOE’s financial performance, operations or image. <p><i>Immediate action is recommended to mitigate the DOE’s exposure</i></p>
<i>Moderate (2)</i>	<p>2 - The impact of the finding is <i>significant</i>¹ and the likelihood of loss is possible in one of the following ways:</p> <ul style="list-style-type: none"> ➤ A significant misstatement of the DOE’s financial statements could occur; ➤ The DOE’s business objectives, processes, financial performance or image could be notably impaired; ➤ The DOE may fail to comply with applicable laws, regulations or contractual agreements, which could result in fines, sanctions and/or liabilities that are significant to the DOE’s financial performance, operations or image. <p><i>Corrective action by management should be prioritized and completed in a timely manner to mitigate any risk exposure.</i></p>
<i>Low (3)</i>	<p>3 – The impact of the finding is moderate and the probability of an event resulting in loss is possible.</p> <p><i>Action is recommended to limit further deterioration of controls.</i></p>

¹ The application of these terms are consistent with the guidelines provided by the Institute of Internal Auditors

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Observations

The detailed observations noted herein were based on work performed by IA through the last date of fieldwork and are generally focused on internal controls and enhancing the effectiveness of processes for future organizational benefit.

Obs. No.	Description	Page #
1	Lack of oversight, monitoring, and accountability at the DOE school level	7-9
2	Lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures	10-12
3	Insufficient controls in the Student Enrollment and Withdrawal process	13-14
4	Procedures not performed at the DOE school level and required forms and supporting documentation are not completed and/or retained	15-20
5	Process inefficiencies where multiple forms serve the same purpose	21-22

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Observations

Observation Number: 1	
Observation: Lack of oversight, monitoring, and accountability at the DOE school level	Rating: High
<p>The following are internal control design issues related to student enrollment at the DOE school level:</p> <p>1. Lack of accountability Based on IA’s testing and discussions, we noted that there is a lack of accountability for student enrollments and withdrawals at the DOE school level. DOE schools are responsible for enrolling and withdrawing students. The School Process and Analysis Section (SPAS) located in OITS does not review the Student Enrollment and Withdrawal process for the DOE schools. There is a lack of regard for following Student Enrollment and Withdrawal process evidenced by lack of proper approvals, absence of forms and missing documentation, and accuracy/timeliness of information recorded into the student information system.</p> <p>IA noted 201 instances out of 450 total samples tested, 45%, where the student should not have been included in the official enrollment because the student was either a “no show”, the student’s last day of attendance was prior to count day, and/or parent notification indicated a release date prior to count date. Since WSF, staffing level, and pay levels are directly impacted by the official enrollment count, there are incentives for DOE schools to maximize the official enrollment count.</p> <p>See the effects of the lack of accountability in Observation Number 4.</p> <p>2. Lack of consequences It appears that there are no consequences for DOE schools that do not follow proper procedures. Based on discussions with Management, funding is based on the Official Enrollment Count. Two (2) other enrollment counts are taken after the initial count which allows for DOE schools to receive additional funding should there be a large increase of students. However, funding is not taken away if there is a large decrease of students. In addition, there are incentives for DOE schools to overstate actual enrollment counts as staffing and pay levels are determined by the number of students attending each DOE school.</p> <p>3. Understatement of projections by DOE school administrators Based on discussions with SPIS, a common practice by Principals is to understate annual projection numbers regarding future student enrollment. Projections are used as a floor for DOE schools to plan their budgets. Actual funding is determined when actual enrollment counts are reported. There is an incentive of convenience for school budgeting and staffing because it is easier for a DOE school to add a position and/or add money to their budget rather than having position and/or money taken away. This understatement of projection numbers creates a shortfall in budgeted WSF funds to allocate when the actual numbers are determined. To address this shortfall, due to the under projections, the Budget Branch started to include a reserve into the WSF allocations to bridge the difference between the projected and actual enrollment counts.</p>	
Observation/Impact	
<p>The lack of oversight, monitoring, and accountability of the Student Enrollment and Withdrawal processes may lead to:</p> <ul style="list-style-type: none"> ➤ Unauthorized student enrollments and withdrawals may result in litigation. ➤ Manipulation of counts which may result in inequitable funding between DOE schools. ➤ Financial loss to DOE due to waste of resources for overstaffing and inaccurate pay levels. 	

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Observations

- Inconsistencies in following policies and procedures.
- Inaccurate projections may lead to inaccurate budgets affecting individual schools and the Department. Inaccurate budgeting could result in teacher shortages and a decrease in quality education.

Recommendation

Recommendations to address the lack of oversight, monitoring, and accountability for student enrollments include:

- Mandatory training required for all staff handling student enrollment and withdrawal functions.
- A training module should be included in the SASA Academy in relations to Student Enrollment and Withdrawal policies and procedures by which all DOE schools must operate within.
- Periodic spot checks should be conducted by someone outside the schools, i.e. business managers, to ensure that proper student enrollment and withdrawal procedures are followed.
- Management should consider including the performance of student enrollment and withdrawal functions in evaluations to ensure this area is properly monitored.
- Management should consider taking away overpaid funds during the second and third counts for DOE schools that inaccurately recorded student enrollment counts.

Management Plan

Management will revise the Reference Guide for Registrars/Clerks by the end of Fall 2013. The Reference Guide will be applicable to both Elementary and Secondary Schools. It will align standard school processes to administrative rules and State laws/policies. The Reference Guide will also address Enrollment and Withdraw policies and procedures, include the most recent DOE memos and notices related to school processes, and include standardized forms for enrollments and withdrawals. The Reference Guide will be created in a PDF format and will be made available online to all DOE personnel. Management will periodically review and revise the Reference Guide on a regular basis.

Online training modules for Enrollment and Withdrawal policies and procedures will be developed by the beginning of Summer 2014. Management will create 3-5 minutes enrollment and withdrawal training modules based on the enrollment and withdrawal sections of the Reference Guide for Registrars/Clerks. Each module will be developed with accountability measures, such as end-of-module-quizzes. In addition, management will develop a system to track that all personnel handling student enrollment and withdrawal functions have viewed and passed the quizzes. Management will pilot test each module with the registrars and obtain their feedback at a mandatory registrars' meeting (possibly in Spring 2014) and revise the modules as necessary. Management will also coordinate with the lead of the SASA Academy to include the modules with their future training. Modules will be reviewed and revised regularly in accordance with changes in the Reference Guide for Registrars/Clerks.

Management will develop implementation and communication plans for Principals to report their monitoring of: enrollment, withdrawal, "No Show", attendance procedures, and segregation of duties. An official DOE Notes and Memos to be signed by the Superintendent prior to the end of SY13-14, addressed to the Principals, will include a process or procedure to inform the Administrator to review the following in a timely manner: enrollment, withdrawal, "No Show", attendance procedures, and segregation of duties. In addition, Principals will be required to submit a form to indicate those individuals that are responsible for the Student Enrollment and Withdrawal functions. These forms will be submitted to SPAS for review.

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Further, management will coordinate with the Data Governance Office (DGO) and the Longitudinal Data System (LDS) to create reports for periodic spot checks to insure that proper Student Enrollment and Withdrawal procedures are followed.

Contact Person: Karl Yoshida, Director
School Process and Analysis Branch
Office of Information Technology Services

Anticipated Completion Date: June 2014

Responsible Manager

IISS/SPIS/SPAS/ Information Systems Training and Support Section (ISTSS)/DGO

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Observations

Observation Number: 2	
Observation: Lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures	Rating: High
<p>In general, Student Enrollment and Withdrawal policies and procedures are documented in <i>Registrar's Handbook</i>. Additional support is provided online at http://esis.k12.hi.us which includes training and informational documents, forms, and reminders. The eSIS website also provides technical assistance in using the system.</p> <p>The policies and procedures that govern the Student Enrollment and Withdrawal process are unclear, non-comprehensive, and not all of them have been updated. IA sent out questionnaires to 157 DOE schools to determine their understanding of the Student Enrollment and Withdrawal policies and procedures; 126 schools, 80%, responded. Based on our discussions, detailed testing, and responses from the questionnaires; the following are some of the key weaknesses in the Student Enrollment and Withdrawal policies and procedures.</p> <ol style="list-style-type: none">1. Policies and procedures are not in one centralized area<p>There is no centralized location for all the student enrollment and withdrawal policies and procedures, guidance, and technical assistance. During our survey, we noted that DOE schools currently rely on one or more of the following: <i>Registrars' Handbook</i>, Lotus Notes memos, policies and procedures found on the DOE website, guidance and training documents found on the eSIS website, custom made requirement lists, and word of mouth. It was also noted that it is time consuming to find the most recent guidance to follow.</p>2. Inadequate guidelines<p>Based on the survey, DOE schools do not feel that they are provided with adequate policies and procedures regarding student enrollments and withdrawals. Schools responded that policies and procedures are not provided, not organized well, and/or not updated to address current practices. Specific concerns were raised regarding proof of residency, geographic exceptions, McKinney-Vento (homeless), immigration, home-schooling, health requirements, registering a student without documentation, and legal document requirements in regards to custodial rights or power of attorney.</p>3. Lack of clarity<p>There is a lack of clear guidance for registering students in regards to proof of residence and geographic exceptions.</p><ol style="list-style-type: none">a. Proof of residence<p>Based on discussions with IISS, current procedures state that proof of residence is optional. BOE Policy #4150 – <i>School Attendance Areas</i> Policy states "all persons of school age shall be required to attend the school of the attendance area in which they resides." Based on the testing performed for student enrollments, IA noted 23 instances out of 225, 10%, where proof of residence was not on file.</p>b. Geographic exceptions<p>Based on the testing performed for enrollments, IA noted eight (8) out of 25 instances for geographic exceptions, 32%, where the proof of residence is not on file. Currently, there are no policies and procedures to address the requirement of proof of residence for geographic exceptions.</p>	

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Observations

4. Inconsistencies in forms as certain forms are not standardized

Some student enrollment/withdrawal forms are not standardized. Each DOE school has their own "Request for Release" form. During our review, we noted that the custom "Request for Release" forms for two (2) DOE schools did not include a field for signature and date of parent authorization. In addition, we noted that one (1) DOE school created and used their own unique student registration form. In accordance with the *Registrars' Handbook - Enrollment and Release Procedures*, for new student enrollment, school-created enrollment form *OR Enrollment form SIS-10WR* should be included in the release packet.

In addition, the interpretation of various policies and procedures, guidance, and other supports for student enrollments and withdrawals may differ from school to school.

Observation/Impact

The lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures may lead to:

- Process inefficiencies as there is a lack of policies and procedures given to the field.
- Inconsistent application of policies and procedures.
- Lack of proper documentation for student enrollments and withdrawals.
- Violations of board policies as noted above.
- Unauthorized student enrollments and withdrawals may result in litigation.
- Manipulation of counts which may result in inequitable funding between DOE schools.
- Financial loss to DOE due to waste of resources for overstaffing and inaccurate pay levels.
- Overpopulation of classrooms which may cause deficiencies in learning and inability to meet strategic plan goals.

Recommendation

Recommendations to address the lack of current and comprehensive Student Enrollment and Withdrawal policies and procedures include:

- Management should update and standardize policies, procedures, and forms and place them in a centrally located area for DOE schools to access.
- Training on the procedures and policies should be given to the field.
- Management should periodically revisit these policies and procedures for any changes or updates.
- Registrar's handbook should be updated and distributed to all DOE schools.
- Standardized policies and procedures should be clear and concise and should be created to cover the entire process and address control weaknesses such as:
 - Requirements for new students, withdrawals, and feeders.
 - Requirements for custodial rights or power of attorney, proof of residency, geographic exceptions, McKinney-Vento (homeless), immigration, home-schooling, and health.
 - Retention of supporting documentation for withdrawing schools, feeder schools, and enrolling schools (i.e. evidence of entry and exit at each DOE location).
 - Clarification for registering students without documentation.
 - Adequate /acceptable support for withdrawal codes and dates.
 - Acceptable reasons for excused absences so that student can be included in enrollment count.

Regarding proof of residence and geographic exceptions:

- Management should revise and update the policies and procedures for proof of residence to be mandatory.

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- Management should revise and update the policies and procedures to state that proof of residence is required for geographic exceptions.

Regarding standardization of forms:

- Forms should be standardized for consistency so that every DOE school is using the same forms.
- Training should be provided to guide the staff on how to complete new forms.

Management Plan

Please see Management's Plan in Observation #1.

In addition, an official DOE Notes and Memos to be signed by the Superintendent will be sent out to all schools stating that the proof of residence is required for enrollment. Management will review and update as necessary as to the proof of residence documents that would be acceptable.

Management will also update the DOE's geographic exceptions website to include a description of all situations that would require the geographic exceptions form.

Contact Person: Karl Yoshida, Director
School Process and Analysis Branch
Office of Information Technology Services

Anticipated Completion Date: December 2013

Responsible Manager

IISS/SPIS/SPAS

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Observations

Observation Number: 3	
Observation: Insufficient controls in the Student Enrollment and Withdrawal process	Rating: High
<p>During our discussion with SAO and OITS and detailed testing performed on student enrollments and withdrawals, IA noted insufficient controls in the Student Enrollment and Withdrawal process. Due to the design of the process and the lack of clear guidelines, there are multiple Student Enrollment and Withdrawal processes at the DOE school level which contain numerous internal control weaknesses. Some key control weaknesses inherent in the design of the process are:</p>	
<p>1. Official enrollment counts based on admitted students</p> <p>The official enrollment count is performed based on "admitted" students rather than "registered" students. Based on DOE's <i>School Attendance Procedures</i> as of July 2011, "admit" means that "the student has been accepted into the public school system, and the student enrollment form has been completed and the data entered into the DOE student information system." "Registered" means that "the student is physically present and the school includes them in the attendance." In some instances, students are "admitted" but never "registered" because the student withdraws prior to attending class. Based on the testing performed for withdrawals, IA noted one (1) instance out of 225 where a student was admitted before count day and registered after count day, but he/she never attended. The student was included in the official enrollment count for SY 2012-13.</p>	
<p>2. Lack of segregation of duties</p> <p>Based on the questionnaire to the field, we noted that 108 of 126 DOE schools, 86%, indicated that student enrollment and withdrawal data is reviewed by the same person that entered the data. In addition, five (5) of the 126 DOE schools indicated that student enrollment and withdrawal data is not reviewed at all. IA noted that there are controls in place within eSIS. The eSIS team performs data checks to identify duplicate students, duplicate parents, and incorrect student ID numbers. However, there are no controls in place to determine if the student information is entered timely into eSIS by DOE schools.</p>	
<p>3. Registrar's handbook is not distributed to all DOE schools</p> <p>The Registrar's Handbook includes guidance related to student enrollment and withdrawals. Currently, the Registrar's Handbook is not distributed to all DOE schools; it is only distributed to secondary DOE schools. Non-secondary DOE schools do not receive a copy of the handbook.</p>	
<p>4. Inadequate Training</p> <p>Training for student enrollment is provided by the eSIS team. There are training sessions available throughout each school year. Training is not mandatory as it is the discretion of the principal to send employees to training. Based on the questionnaire to the field, we noted that 21 of 126 DOE schools, 16%, indicated that training and/or support would be beneficial. 41 DOE schools, 32%, indicated that training was provided by co-workers or peers. In addition, 31 DOE schools, 24%, indicated that training was not provided or that training did not include policies and procedures for enrollment.</p>	
Observation/Impact	
<p>Insufficient controls in the Student Enrollment and Withdrawal process may lead to:</p> <ul style="list-style-type: none"> ➤ Process inefficiencies as there is a lack of policies and procedures given to the field. ➤ Inconsistent application of policies and procedures. ➤ Lack of proper documentation for student enrollment and withdrawals. 	

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<ul style="list-style-type: none"> ➤ Manipulation of counts which may result in inequitable funding between DOE schools. ➤ Inaccurate enrollment count which could lead to financial loss to DOE due to waste of resources for overstaffing and inaccurate pay levels.
Recommendation
<p>Recommendations to address insufficient controls in the Student Enrollment and Withdrawal process include:</p> <ul style="list-style-type: none"> ➤ Management should update and standardized policies, procedures, and forms and place them in a centrally located area for DOE schools to access. ➤ Training on the procedures and policies should be given to the field. ➤ Management should periodically revisit these policies and procedures for any changes or updates. ➤ Standardized policies and procedures should be clear and concise and should be created to cover the entire process and address control weaknesses. ➤ Registrar's handbook should be updated and distributed to all DOE schools. <p>Regarding accuracy of enrollment counts</p> <ul style="list-style-type: none"> ➤ Management should develop a comprehensive definition of “enrollment” independent of system-specific data fields. <p>Regarding training:</p> <ul style="list-style-type: none"> ➤ Mandatory training required for all staff handling student enrollment and withdrawal functions. ➤ A training module should be included in the SASA Academy on Student Enrollment and Withdrawal policies and procedures by which all DOE schools must follow. <p>Regarding segregation of duties:</p> <ul style="list-style-type: none"> ➤ Management should create policies and procedures for segregation of duties. ➤ Reviews should be conducted by DOE school Administrator for accuracy.
Management Plan
<p>Please see Management’s Plan in Observation #1.</p> <p>In addition, management will develop a comprehensive definition of “enrollment” as applied to the Official Enrollment Count, independent of technical system-specific fields.</p> <p>Contact Person: Karl Yoshida, Director School Process and Analysis Branch Office of Information Technology Services</p> <p>Anticipated Completion Date: June 2014</p>
Responsible Manager
IISS/SPIS/SPAS

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Observations

Observation Number: 4	Rating: High
Observation: Procedures not performed at the DOE school level and required forms and supporting documentation are not completed and/or retained	

DOE schools are required to follow Student Enrollment and Withdrawal policies and procedures. As indicated in Observation Number 1, IA noted 201 instances out of 450, 45%, where the student should not have been included in the official enrollment because the student was a “no show” or the student’s last day of attendance was prior to count day. The following shows the breakdown:

Reference(s)	Summary of Observations Noted
Students should not have been included in the official enrollment	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook - School Attendance Procedures</i> states that "no show" means that the student has NOT reported to the school for the first day of school and cannot be accounted for the school's enrollment on count day. ➤ <i>Refresher Training Start of School Year</i> PowerPoint slides dated June 2010 states that schools are to “withdraw a student after the last day of attendance.” 	<ul style="list-style-type: none"> ➤ 151 out of 450 total samples (34%) where the student was a “no show”, but the school did not withdraw him/her. ➤ 50 out of 450 total samples (11%) where the student’s last day of attendance at the withdrawing school was prior to count day, however, the school did not withdraw him/her.

The following table summarizes the frequency in which student enrollment/student withdrawal forms are completed and/or retained. Further details are provided in the Reference column. Please refer to the appendix for a list of forms related to the Student Enrollment and Withdrawal process.

Reference(s)	Summary of Observations Noted
Student’s Certificate of Release (Form 211 Card 1)	
<ul style="list-style-type: none"> ➤ Hawaii Revised Statutes Section 302A-1145 – <i>Transfer to another school</i> states that “no school shall receive any child under eighteen years of age... unless the child produces to the school to be enrolled, a certificate of release of the school last attended by the child.” ➤ <i>Registrars' Handbook – Enrollment and Release Procedure</i> states that Student’s Certificate of Release (Form 211) should be included in the release packet for new student enrollment. 	<ul style="list-style-type: none"> ➤ 21 out of 225 student enrollment samples did not have the Student’s Certificate of Release Form on file. ➤ 11 out of 225 student enrollment samples did not have the Student’s Certificate of Release Form on file, however, another form of release was completed and on file. ➤ Nine (9) out of 225 student enrollment samples where the Student’s Certificate of Release Form was not signed and dated by the school official.

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Observations

Reference(s)	Summary of Observations Noted
Student Enrollment Form (Form SIS-10W)	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook – Enrollment and Release Procedure</i> states that the Enrollment Form SIS-10WR should be included in the release packet for new student enrollment. 	<ul style="list-style-type: none"> ➤ Two (2) out of 225 student enrollment samples did not have the Student Enrollment Form on file. ➤ 16 out of 225 student enrollment samples where the Student Enrollment Form was not signed and dated by the parent.
Proof of Residence	
<ul style="list-style-type: none"> ➤ BOE Policy #4150 – <i>School Attendance Areas</i> Policy states "all persons of school age shall be required to attend the school of the attendance area in which they resides." ➤ <i>Registrars' Handbook – Proof of Residence, Verification</i> states that proof of residence is defined as documentation by parent or legal guardian that the child resides in an address within the school's attendance boundary. Proof of residence includes rental/lease agreement, mortgage document, current utility bill, or notarized statement of residence. 	<ul style="list-style-type: none"> ➤ As stated above in Observation Number 2, 23 instances out of 225 student enrollment samples (10%) did not have the proof of residence on file. ➤ As stated above in Observation Number 2, eight (8) out of 25 instances for geographic exceptions samples (32%) where the proof of residence is not on file. ➤ Four (4) out of 225 student enrollment samples where the proof of residence does not meet the requirements for proof of residence verification. ➤ Four (4) out of 225 student enrollment samples where the proof of residence does not show the address of the resident.
Geographic Exception Request Form CHP 13-1	
<ul style="list-style-type: none"> ➤ Hawaii Administrative Rules Title 8 Chapter 13 – <i>Geographical Exceptions</i> states "under Hawaii's laws, all persons of school age are required to attend the school in the geographic area in which they reside. However, permission to attend another school may be granted by the department." 	<ul style="list-style-type: none"> ➤ 10 out of 25 instances for geographic exceptions samples (40%) where the Geographic Exception Request Form was not on file. ➤ One (1) out of 25 instances for geographic exceptions, where the Geographic Exception Request Form was not on file when the student moved out of the respective school's geographic area while still attending the same school.

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Observations

Reference(s)	Summary of Observations Noted
Request for Release Form / Exceptions to Compulsory Education Form (Form 4140)	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook – Enrollment and Release Procedure</i> states that the Request for Release signed by parent/guardian or student who is 18 years of age should be included in the clearance and release packet for student transfers. Written release should be maintained for school records. ➤ Hawaii Revised Statutes Section 302A-1132 – <i>Attendance compulsory; exceptions</i> states that all children who will have arrived at the age of at least six years, and who will not have arrived at the age of eighteen years, shall attend either a public or private school. Attendance at a public or private school shall not be compulsory in certain cases. Instructions for Completing OCISS Form 4140 states that Form 4140, Exceptions to Compulsory Education must be completed and submitted to the local public school under the reason for the exception. 	<ul style="list-style-type: none"> ➤ 106 out of 225 student withdrawal samples (47%) did not have the Request for Release Form or the Exceptions to Compulsory Education Form on file. ➤ Seven (7) out of 225 student withdrawal samples where the Request for Release Form was not signed and dated by the parent. ➤ One (1) out of 25 instances for compulsory education exceptions where the Exception to Compulsory Education Form was not signed and dated by the school principal and area superintendent.
Notice of Enrollment (Form 211 Card 2)	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook – Enrollment and Release Procedures</i> states that official records for the students should be sent to the enrolling school only upon request of the enrolling school for student transfers. 	<ul style="list-style-type: none"> ➤ 28 instances out of 225 student withdrawal samples (12%) did not have the Notice of Enrollment Form on file.
Record of Student Release (Form 211 Card 3)	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook – Enrollment and Release Procedures</i> states that the Certificate of Release (Form 211) should be completed and included in the clearance and release packet for student transfers. The original schools should file part 3 of the form for future references as it will provide documentation that records have been forwarded to the receiving school. 	<ul style="list-style-type: none"> ➤ 111 out of 225 student withdrawal samples (49%) where the Record of Student Release Form was not on file. For eight (8) of the 111 findings, another form for release was completed and on file. ➤ 11 out of 225 student withdrawal samples where the Record of Student Release Form was not completed in full. ➤ Seven (7) out of 225 student withdrawal samples where the date on the Record of Student Release Form did not agree to the withdrawal date recorded in eSIS.

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Observations

Reference(s)	Summary of Observations Noted
Withdrawal Dates and Codes	
<ul style="list-style-type: none"> ➤ <i>Registrars' Handbook – Appendix B Exit / Movement Codes</i> provides a list of codes schools should use to indicate withdrawal reason. ➤ <i>Refresher Training Start of School Year</i> PowerPoint slides dated June 2010 states that schools are to “withdraw a student after the last day of attendance.” 	<ul style="list-style-type: none"> ➤ 53 out of 225 student withdrawal samples (24%) where an incorrect withdrawal code was recorded in eSIS. ➤ 158 out of 225 student withdrawal samples (70%) where an incorrect withdrawal date was recorded in eSIS.
Attendance	
<ul style="list-style-type: none"> ➤ Hawaii Revised Statutes Section 302A-1132 – <i>Attendance compulsory; exceptions</i> states that all children who will have arrived at the age of at least six years, and who will not have arrived at the age of eighteen years, shall attend either a public or private school. ➤ BOE Policy #4150 – <i>School Attendance Areas</i> Policy states "all persons of school age shall be required to attend the school of the attendance area in which they resides." ➤ <i>Registrars' Handbook – School Attendance Procedures</i> states that “every principal or designee is responsible for implementing the Department’s attendance procedures, and for informing the students, parents, and teachers of their school’s attendance policy and procedures. 	<ul style="list-style-type: none"> ➤ 36 out of 225 student withdrawal samples (16%) where the student did not attend school, but he/she was not recorded as absent in eSIS. ➤ In general, based on the testing performed for student enrollments and withdrawals, IA noted that schools are not taking attendance properly especially on the first day of school. Currently, the attendance system takes positive attendance (student is automatically marked present unless otherwise indicated).

Student Enrollment and Withdrawal procedures are documented in the *Registrar’s Handbook* compiled by IISS. The guidelines are given to all secondary DOE schools. Forms and training documents are accessible on the eSIS website. Periodic DOE memos are also sent to the field for changes and updates related to Student Enrollment and Withdrawal processes.

These observations indicate a weakness in the Student Enrollment and Withdrawal process procedures. Based on discussions and questionnaires to the field, IA noted several key points that attribute to the findings including: lack of training, timing issues, lack of procedures for non-secondary DOE school, and lack of personnel. We spoke to numerous Registrars and Account Clerks and they were not aware that they had to complete and/or submit certain forms and supporting documents. Based on the discussions with IISS, although there is training available, mandatory training for Student Enrollment and Withdrawal sessions is currently not required.

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Observations

Observation/Impact
<p>Student Enrollment and Withdrawal procedures were designed with certain internal controls to ensure that risks related to the process were reduced to an acceptable level. There is an increase in risk exposure when specifically designed procedures are not being followed. Specifically:</p> <ul style="list-style-type: none">➤ Unauthorized student enrollment and withdrawals may result in litigation.➤ Manipulation of counts which may result in inequitable funding between DOE schools.➤ Financial loss to DOE due to waste of resources for overstaffing and inaccurate pay levels.➤ Overpopulation of classrooms which may cause deficiencies in learning and inability to meet strategic plan goals.➤ Inconsistencies in following policies and procedures.
Recommendation
<p>Recommendations for the observation regarding procedures not performed at the DOE school level and required forms and supporting documentation are completed and/or retained include:</p> <ul style="list-style-type: none">➤ Mandatory training required for all staff handling student enrollment and withdrawal functions.➤ A training module should be included in the SASA Academy in relations to Student Enrollment and Withdrawal policies and procedures by which all DOE schools must operate within.➤ Periodic spot checks should be conducted by someone outside the schools, i.e. business managers, to ensure that proper student enrollment and withdrawal procedures are followed.➤ Management should consider including the performance of student enrollment and withdrawal functions in evaluations to ensure this area is properly monitored.➤ Management should consider taking away overpaid funds during the second and third counts for DOE schools that inaccurately recorded student enrollment counts.➤ DOE school Administrators should perform reviews to ensure that forms are properly completed, signed, and retained. <p>Regarding Proof of Residence:</p> <ul style="list-style-type: none">➤ Management should revise and update the policies and procedures for proof of residence to be mandatory. <p>Regarding Geographic Exception:</p> <ul style="list-style-type: none">➤ Management should revise and update the policies and procedures for geographic exceptions to include all situations in which the form is necessary.➤ Management should indicate that proof of residence is required for geographic exceptions. <p>Regarding "No Show":</p> <ul style="list-style-type: none">➤ DOE school Administrators should perform reviews to ensure that students that are "no show" should be withdrawn in the system prior to count date. <p>Regarding withdrawals:</p> <ul style="list-style-type: none">➤ Management should create policies and procedures to address timing issues for students who transfer schools.➤ Management should create policies and procedures to address proper release dates for students who transfer schools. <p>Attendance:</p> <ul style="list-style-type: none">➤ DOE school Administrators should perform reviews to ensure that attendance is taken properly.

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Observations

Management Plan
<p>Please see Management's Plan in Observation #1.</p> <p>Management will create a standardized release form and make it available to all schools. In addition, management will review and standardize the release process.</p> <p>Contact Person: Karl Yoshida, Director School Process and Analysis Branch Office of Information Technology Services</p> <p>Anticipated Completion Date: June 2014</p>
Responsible Manager
IISS/SPIS/ISTSS/SPAS

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Observations

Observation Number: 5	
Observation: Process inefficiencies where multiple forms serve the same purpose	Rating: Low
<p><i>Registrars' Handbook – Enrollment and Release Procedure</i> states that schools should complete the Certificate of Release (Form 211) and include it in the clearance and release packet for student transfers. In addition, Request for Release Form is to be signed by parent/guardian or student who is 18 years of age. The Request for Release Form should also be included in the clearance and release packet for student transfers. Written release should be maintained for school records.</p> <p>There are three (3) cards/parts to the Student's Certificate of Release Form (Form 211). Card 1 is the Student's Certificate of Release. The withdrawing school completes Card 1 and sends it to the new enrolling school as a notice that the student is released. Card 1 also indicates the reason for withdrawal. The new enrolling school then completes the Notice of Enrollment (Card 2) and sends it back to the withdrawing school to indicate that the student is now enrolled at the new school. Card 2 also requests the withdrawing school to submit all records related to the respective student. Lastly, the Record of Student Release Form (Card 3) is completed by the withdrawing school which indicates that records have been forwarded to the new enrolling school.</p> <p>Based on the testing performed for student enrollments and withdrawals, in general, IA noted that DOE schools are not completing all three (3) cards/parts of the Student's Certificate of Release Form (Form 211). It appears that there is redundancy in data between the three (3) cards/parts of the form. Refer to Observation Number 4, above, for details on findings regarding the Student's Certificate of Release Form. In addition, IA noted that the Student's Certificate of Release Form (Form 211) serves the same purpose as the Request for Release Form.</p> <p>It appears that forms serving similar purposes are utilized for student release. Although the finding is for non-compliance at the DOE school level, IA acknowledges that there are inefficiencies when DOE schools have to complete multiple forms that could serve the same purpose.</p>	
Observation/Impact	
<p>Multiple forms serving the same purpose may lead to inconsistencies in following policies and procedure. Duplicity of forms could create confusion and delays in the Student Enrollment and Withdrawal process. Such inefficiencies may result in wasted resources and financial loss to the DOE.</p>	
Recommendation	
<p>In order to improve controls of procedures requiring the completion of forms serving similar purpose, we recommend either:</p> <ul style="list-style-type: none"> ➤ Policies and procedures should be updated to give clarity to the purpose and completion of the forms. ➤ Training should be given to the field on the updated procedures and policies. ➤ The "Student's Certificate of Release" Form 211 should be consolidated into one (1) form. ➤ The "Student's Certificate of Release" Form 211 Card 1 or the "Request for Release Form" should be eliminated as both forms serves the same purpose. 	

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Observations

Management Plan
<p>Please see Management’s Plan in Observation #1.</p> <p>Management will create a standardized release form and make it available to all schools. In addition, management will review and standardize the release process.</p> <p>Contact Person: Karl Yoshida, Director School Process and Analysis Branch Office of Information Technology Services</p> <p>Anticipated Completion Date: June 2014</p>
Responsible Manager
IISS/SPIS/ISTSS/SPAS

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Appendix

Forms and Documents:

Forms and Documents Referred to in this Report	
<u>Form/ Document No.</u>	<u>Form/ Document Names</u>
DOE Form SIS-10W	Student Enrollment Form
	Proof of Residence
DOE CHP 13-1	Geographic Exception Request Form
	Request for Release Form
DOE Form 4140	Exceptions to Compulsory Education Form
DOE Form 211 (Card 1)	Student's Certificate of Release Form
DOE Form 211 (Card 2)	Notice of Enrollment Form
DOE Form 211 (Card 3)	Record of Student Release Form

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Acknowledgements

We wish to express our appreciation for the cooperation and assistance afforded to Internal Audit by management and staff during the course of this review.