

## Transparency Comparisons Between School Districts and Education Cooperatives

<b>Action/Requirement</b>	<b>District</b>	<b>Cooperative</b>
Audited by Legislative Audit or Private Audit	✓	✓
Audit Reviewed by Legislative Joint Audit Committee	✓	✓
Audit Reports are Reviewed by the Board of Directors in a Regular Board Meeting.	✓	✓
Audit Reports (Including Audit Findings) Posted on Website	✓	✓
Financial Reports Are Provided Monthly and Approved by the Board of Education	✓	✓
Budget and Annual Financial Reports Approved by Board of Directors and Posted on Website	✓	✓
All Regular and Special Meetings are Open to the Public and Posted on Cooperative Websites	✓	✓
All Meetings are Recorded	✓	✓
Minutes of the Board Meetings are Approved and Posted on Website	✓	✓
Board of Directors Contact Information Posted on the Website	✓	✓
Contract Information on Individuals with Names and Contract Amount or Salary Schedules and Positions are Posted on Website	✓	✓
Employment Vacancies Advertised and Posted on Website	✓	✓

Comply with Freedom of Information Act	✓	✓
Cooperative Policies and Procedures are Developed by the Advisory Committee, Administration and Board of Directors.	✓	✓
Cooperative Policies and Procedures are Approved by Board and Posted on Website	✓	✓
Evaluated by Team consisting of Teachers and Administrators from Cooperative Member Districts, Parents, Business Representatives, DESE Personnel, Personnel from Other Cooperatives, Cooperative Personnel, and Others	NA	✓
Evaluation Results Posted on Website	NA	✓
District Teachers, Principals, Media Specialists, Counselors, Federal Programs, etc. Meet Regularly with relevant Cooperative Personnel to Discuss District Needs and Cooperative Services	NA	✓
Professional Development and Trainings are evaluated by attendees	NA	✓
Annual Reports are Approved by Board of Directors	✓	✓
Annual Reports Posted on Website	✓	✓
Annual Report Submitted to State Board of Education for Review and Approval	NA	✓

**Narrative**

**Cooperative accountability is a multi-faceted approach to ensure cooperative operations are effective, allowable, and aligned.**

The broad reaching accountability instruments include an annual audit by legislative or private audit and an external evaluation by the Department of Elementary and Secondary Education, which occurs every 5 years. Both these reviews are comprehensive in nature and are reportable to the State Board of Education and/or the

Arkansas Legislature. An annual report on operations is also submitted to the State Board of Education.

**The next level of accountability is a detailed examination of individual program/grant operations by site visits.**

**Site visits** are a part of ABC and occur once per semester. These visits, completed by DHS, determine program compliance. Funds may be awarded or withheld based on these reviews. ABC is also visited by a licensing entity once every two years. The “Early Childhood Environmental Rating System” is used to conduct a comprehensive review of adherence to program guidelines. Programs must pass with a rating that allows licensing to occur in order to operate.

**The Perkins program** is subject to a site review once every three years. This review examines the allowability of expenditures. Overall program compliance is also reviewed. There is a detailed review of inventory items purchased with Perkins funds, which may include site visits to schools to directly observe the use of Perkins purchased equipment and check the serial numbers of this equipment. Any errors involving the expenditure of funds may require the repayment of those funds.

**The Special Education Early Childhood Program** is also subject to site review. Every three years a comprehensive monitoring of the program is conducted by DESE. This review includes a detailed examination of special education paperwork and the observation of teachers to ensure compliance with State and Federal Special Education law/rule. Any violation is subject to correction on a defined timeline.

**Child Nutrition Programs**, operated through cooperatives, also have a three-year on-site review. This site visit usually lasts two days and monitors all aspects of program operations including: paperwork, service procedures, and other details. Any financial errors are subject to repayment. Other errors are corrected on a defined timeline. All payments are subject to being withheld for lack of compliance.

**Desk audits** serve as another layer of accountability for cooperatives. Each State and Federal Grant awards money for state pre-defined purposes. Funds may only be spent for these state defined goals.

Desk audits are completed three times per year. The first review is a pre-approval. This approval is required prior to the reimbursement of any expenditure related to the grant. The next review occurs mid-year. The mid-year review ensures adequate fiscal and performance measures have occurred. Around the end of the fiscal year, a grant

performance report and final budget report are required. These reports ensure that the grant goals have been accomplished and that the budget funds have been appropriately spent.

**These reviews occur for the following DESE/Federal Grants:**

- Content Specialist Grant (Including Literacy Coaches, Dyslexia Specialists, Math and Science Specialists)
- Special Education Transition Grant
- ESVI – Special Education Low Vision/Blindness Grant
- Behavior Specialist Grant (Arch Ford)
- GT Specialist Grant
- Technology Specialist Grant
- ARP/ESSR Grants (Homeless; Technology)
- Perkins/CTE
- Migrant Program
- Mentoring Grant
- ABC Grant

Because payments for the bulleted grants are reimbursable after expenditures are made, DESE may review expenditures prior to payment, which occurs monthly from September to June.

**Dual reporting is another mechanism geared toward ensuring cooperative accountability.**

The Migrant Program and the Homeless Program require reporting in two different software systems. Indistar and APSCN Finance Plus must both be used. The fiscal components in each system must align and concur.

Perkins expenditures must be recorded in ACE Book and in APSCN Finance Plus. Again, these systems must reconcile with no variance.

ABC data must be entered in COPA, as well as, in APSCN. Fiscal reporting must match in both systems.

Early Childhood Special Education must record information in both the Special Education Module and in APSCN. These systems must reflect the same information.

Dual reporting is also required to verify child nutrition claims.

Finally each cooperative is subject to review by a locally, selected board of directors. The board of directors and the cooperative director are responsible for budget development and approval. Fiscal review usually occurs monthly. Policy development and approval, and other aspects of the day-to-day operations of the cooperative are also reviewed by the board of directors. The cooperative director's job performance is evaluated annually by the board. Cooperatives are subject to fiscal distress in cases where fiscal impropriety exists. They are also subject to checks by the Arkansas Department of Health, the Department of Labor, and the fire marshal.

These accountability measures help ensure that cooperatives operate within the definitions of approved practices that are effective, allowable, and aligned to local, federal, and state law/rules.