

Breathitt County Management Audit Report

Per KRS 158.785

Prepared for

Kentucky Interim Commissioner Dr. Wayne Lewis Jr.

Kentucky Department of Education Staff

August 2018

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May 2018

Executive Summary

School District	Breathitt County	
Superintendent	Phillip Watts, Interim	
Advisory board Chair	Ruschelle Hamilton	
Date of On Site Visit	November 6 –10, 2017	Number of interviews: 217
Management Audit Team	Kelly Foster, Cassie Blausey, Leesa Moman, Hiren Desai, Kay Kennedy, Todd Tucker, Sam Watkins, Charlotte Jones, Felicia Bond, Julia Rawlings, Susan Greer, Tim Godbey, Ben Fritz, Steven Abbott, Greg Dunbar, Steve Lyles, Roger Kerns, Misty Vanover, Jackie Chism, Sylvia Starkey, Veronica Sullivan, Helen Jones, Karla Tipton	
Area of Review	Recommendation	Evidence
Planning	<p>In order to meet the individualized needs of the schools in the district central office and the Advisory Board of Education need to move from a compliance mindset to one of continuous improvement. The Interim Superintendent, central office staff and the Advisory Board of Education need to develop a sustainable system through systemic change that ensures decisions are made based on research, school level data, community needs, and is flexible to the changing needs of the district.</p> <p>Examine and improve the alignment of central office work and personnel to develop district goals and strategies to support schools. Implement a systematic monitoring process to review the alignment of central office work and personnel to ensure effective support of schools. Alignment must include accountability for execution (e.g., Interim Superintendent, central office staff).</p> <p>Create a formalized district communication plan. This plan should focus on strategies for communication from the Advisory board of Education to central office</p>	<p>Persons Interviewed: Interim Superintendent/Technology/Facilities, All Advisory board Members, Director of Pupil Personnel/Federal Programs/School Safety/Innovation/Family Resource Liaison, Advisory board Secretary/Personnel Manager/Assistant to Superintendent, Director of Special Education/School Based Decision Making (SBDM) Coordinator/Gifted & Talented/PreSchool/Response to Intervention/School Health/Title IX/Kindergarten Readiness/ School Based Decision Making Council Members, All School Principals, State Manager</p> <p>Documents Reviewed: Advisory board Policies, Advisory board Meeting Minutes, Advisory board Meeting Agendas, Comprehensive District Improvement Plan, Comprehensive School Improvement Plans, Job Descriptions, Organizational Chart, SBDM Agendas, SBDM Minutes, School Monitoring Tool, Central Office Leadership Team (COLT) Agendas, School Schedules, Survey Data, Non-Resident Contract, 30-60-90 Day Plans, District and School Websites, Social Media</p>

	<p>and from central office to the schools. It should also include a process so that schools can communicate their needs to central office. As part of this formalized internal communication plan, there should be accountability for execution of this plan at all levels (e.g., Advisory board of Education Members, Interim Superintendent, central office staff, school administrators, teachers).</p>	
<p>Operational Support: Food Services, Transportation, Facilities</p>	<p>Recommendations for improvement in Food Services:</p> <p>It is recommended that an administrative position be added at the central office level that would allow for more and better oversight of the child nutrition programs.</p> <p>A process for the accurate and timely completion of production records must be developed and implemented. In all situations, the production records must be completed by the end of the school day. A backup person at each facility should be trained to ensure completion is timely.</p> <p>It is recommended the district increase its focus on low participation sites. School administration should work with site level food service staff and central office food service staff to develop a plan to improve participation. Specifically, the scheduling structure at Sebastian Middle School should be analyzed to help create an environment that is conducive to increasing breakfast participation.</p> <p>It is recommended that an electronic file-sharing system be implemented to disseminate policies and procedures. This would allow site level staff to access the most recent policies and procedures and for the food service</p>	<p>Persons Interviewed for Food Services: Director of Food Service, Lunchroom Manager, Lead Food Service Assistants, Principals, Interim Superintendent</p> <p>Documents Reviewed: Expenditure report SY 16-17 Indirect costs collected in SY 16-17 Balance sheet Meals per labor hour worksheet Participation percentages by school for SY 16-17 Production records Temperature logs</p>

	<p>director to be able to update policies and procedures in one location. This would ensure the most current information is available to all staff.</p>	
	<p>Recommendations for improvement in Transportation:</p> <p>It is recommended that the Transportation Department provide more in-depth training for those drivers and monitors who transport special needs students.</p> <p>It is recommended that the Transportation Department work with individual school administrators on loading and unloading procedures to eliminate students having to cross between buses, which causes a safety concern.</p> <p>It is recommended that additional school staff be located at the loading and unloading sites of students at all locations and be trained how to monitor for student safety.</p> <p>It is recommended that the district develop and implement a strategic plan to support a financially feasible replacement schedule for the bus fleet.</p>	<p>Persons Interviewed for Transportation: Transportation Director, Interim Superintendent, Principals, Assistant Principals, Bus Drivers</p> <p>Documents Reviewed: Discipline referrals 2017-18 Student Code of Acceptable Behavior and Discipline. 2013 Transportation Audit 2016 Transportation Review</p>
	<p>Recommendations for improvement in Facilities:</p> <p>It is recommended the district assign the duties of District Facility Director to someone other than the Interim Superintendent.</p> <p>It is recommended the district establish fiscal budget for maintenance and operation expenses by facility and function.</p> <p>It is recommended the district establish a labor budget for maintenance and operation by facility (utilizing School Dude) to better support budgeting.</p>	<p>Persons Interviewed for Facilities: Interim Superintendent; District Maintenance Supervisor, Principals, Custodians, Asst. Principals</p> <p>Documents Reviewed: District Facility Plan (DFP) (2013 and 2017) Sample of cleaning schedules Guaranteed Energy Savings Contract (GESG) and Schedule of Values Policies School Emergency Procedures Policy Manuals Sample of Work Orders Sample of Purchase Orders 2014 Security Assessment</p>

	<p>It is recommended the district require maintenance staff to follow policies and procedures as indicated on the district website.</p> <p>It is recommended the district establish an equipment inventory and tracking system.</p> <p>It is recommended the district develop a plan to reconcile the conflict between the designation of buildings as ‘transitional’, while maintaining long-term debt service on those buildings.</p>	
<p>Operational Support: Financial Management</p>	<p>Recommendations for improvement at the district level:</p> <p>It is recommended the district develop and implement written policies and procedures for the usage of district vehicles.</p> <p>It is recommended the district develop and implement policies and procedures that provide a system for investigating, monitoring, and reporting complaints (either at the school level or the district level).</p> <p>It is recommended a Disaster Recovery Plan and Business Continuity Plan be developed before a true need arises.</p> <p>It is recommended the district develop and implement formal Standard Operating Procedures, tailored to Breathitt County, for all policies and procedures.</p> <p>It is recommended the district undertake formal succession planning for the Finance Officer position.</p> <p>It is recommended that the district develop a policy to solicit bank bids to</p>	<p>Persons Interviewed at District Level: Finance Officer, Payroll Clerk, Accounting Supervisor, Interim Superintendent, Director of Pupil Personnel</p> <p>Documents Reviewed: Advisory Board Minutes Bank Reconciliations Investment Policy Signed Warrant Proof Report Cell Phone Policy Travel Reimbursement Policy and Forms Expense Reimbursement Policy June & September 2017 Treasurer’s Report to the Advisory Board FYE 2015, 2016, & 2017 Financial Audits FYE 2015, 2016, & 2017 AFR & Balance Sheet A sample of purchase orders (POs), checks, invoices, travel vouchers, other relevant back-up documentation A sample of grant documentation Insurance policies Superintendent’s Annual Attendance Report (SAAR) 5-Year Trend Report Non-Resident Contracts</p>

	<p>provide best overall value for the district.</p> <p>It is recommended that, prior to budget approval, departmental requests for budget allocations include terms by which the funded program will be evaluated.</p> <p>It is recommended the district develop and implement a strategic plan to maximize Average Daily Attendance (ADA) in terms of both enrollment and attendance percentage to maximize state funding.</p>	
	<p>Recommendations for improvement at the school level:</p> <p>It is recommended that someone at the school level have an in-depth understanding of the management of grants and be able to provide any supporting documentation relating to the grants upon request during an external audit.</p> <p>It is recommended that annual training on pertinent Redbook activities be mandatory for the assistant principals, teachers, and external entities as it is not sufficient to educate just finance staff and principals in this area. Training must address audit findings as well.</p> <p>It is recommended that all monthly Site Based Decision Making (SBDM) council minutes posted to the district's website contain any supporting documentation that is presented.</p> <p>It is recommended that the district ensure segregation of duties at each school in recording receipts and revenues.</p>	<p>Persons Interviewed at School Level: Principals, Finance Clerks, Secretaries</p> <p>Documents reviewed: SBDM Minutes Purchase Orders and supporting documents Bank Statements Bank Reconciliation Reports General Ledger Requisition and Report of Ticket Sales School Activity Reports (July-Sept 2017)</p>

	<p>It is recommended that the district develop and implement Standard Operating Procedures to ensure school level financial activities are accurate and consistent.</p> <p>It is recommended that the district implement additional training to SBDM council members to enhance understanding of allocations.</p>	
Operational Support: Personnel Administration	<p>Recommendations for improvement:</p> <p>It is recommended that the district develop explicit Standard Operating Procedure documentation for the Breathitt County version of personnel administration policies described in the district's Policy/Procedure Manual. All forms utilized in the Standard Operating Procedures should be catalogued and incorporated into a change management process.</p> <p>It is recommended that the Job Vacancy Notice form be modified to formally capture the routing, signature, and date of approval by each approver.</p> <p>It is recommended that the district take immediate action to mitigate the appearance of mold in the Records Room to make the room serviceable for file storage. It is further recommended that the district undertake a project to inventory and organize the contents of the Records room in compliance with the state Records Retention requirements.</p> <p>It is recommended that the district establish a single online application process that is easily identifiable to the job-seeking public.</p>	<p>Persons Interviewed: Personnel Manager, Interim Superintendent, Finance Officer, Payroll Clerk</p> <p>Documents reviewed: Breathitt County Policies/Procedures-Chapter 3 Advisory board meeting minutes (2017) Select sample of personnel folders District Organization Chart Job Descriptions New Employee Packet Time Sheet form</p>

	<p>It is recommended that the district develop an inventory list of mandatory standard documents to be included in an employee personnel file and implement a schedule by which documents should be added to employee files. Furthermore, it is recommended the district develop an internal audit process to periodically review personnel files for compliance with required documents.</p> <p>It is recommended that the district implement a process to update the Employee Handbook and other related employee information that is accessible on the website.</p>	
Instructional Management	<p>Recommendations for Improvement:</p> <p>District leadership must create a plan to revise its infrastructure and strengthen its capacity to deploy key district initiatives related to curriculum, instruction and assessment in order to support schools and hold them accountable for reaching rigorous learning goals. Members at all levels (e.g., interim superintendent, chief academic officer, district leaders, school administrators and teachers) must have the capacity to develop, deploy and monitor such plan and be held accountable for its success.</p> <p>CTE</p> <p>District Leadership should create written processes that address data collection and accuracy, finance, reviews of program standards by both the district and schools, and student scheduling around pathways.</p> <p>District Leadership should create a process that ensures advisory councils meet the member requirements</p>	<p>Persons Interviewed: Interim Superintendent, Chief Academic Officer, Director of Special Education, Principals, Assistant Principals, School Based Decision Making Council Members, Regular Education Teachers, Special Education Teachers, Non-Certified Employees, Guidance Counselors, Educational Recovery Staff, State Manager.</p> <p>Documents Reviewed: Comprehensive District Improvement Plan, Response to Intervention Plan, Professional Development Plan, Progress Monitoring Tools, 30-60-90 Day Plans, Meeting Agendas and Minutes, Advisory board Policies, Curriculum Documents and Resources, Student Performance Data, District and School Websites.</p> <p>Persons Interviewed: High School Principal, Counselor, CTE Teachers, JROTC Instructor, Educational Recovery Staff</p> <p>Documents Reviewed: Pathway documents, master schedules, and student transcripts. Invoices are reviewed and approved at KDE.</p>

	outlined in the Perkins Act and are an integral part of the decision making process in pathway development.	
<p>Conclusions: As a result of analysis of all reviewed Kentucky Department of Education data, Breathitt County Schools' data, information gathered during the onsite management audit which occurred November 6-10, and ongoing oversight of the district while under state management, it is the recommendation of the Interim Commissioner that Breathitt County Schools remain in state management, pursuant to KRS 158.785.</p>		

Pursuant to 703 KAR 3:205(2) (2), the comprehensive audit included an investigation of the district's compliance with state and federal statutes and administrative regulations and local advisory board policies. Deficiencies identified and established may constitute a pattern of a significant lack of effectiveness and efficiency in the governance and administration of the school district.

Summary of Findings	
Regulation 703 KAR 3:205, Section 2 (a)	Findings
(a) Planning – failure to develop, adopt and implement planning processes that allow for public review and timely action by the advisory board and administration regarding management of the administrative and business activities of the school district and of the management of the instructional program	<p>There is not a clear understanding among the advisory board members as to who is the leader of the governance and management system. Additionally, there is not a clear indication about who is accountable to whom.</p> <p>Advisory board members stated that they have received numerous trainings, however it is not evident that the content of the trainings is being implemented effectively and consistently.</p> <p>There is not a district wide communication plan in place and no one is specifically assigned to update the district website.</p> <p>Advisory board members could not clearly articulate how information was communicated to schools.</p> <p>Interviews indicate there is not a consistent understanding on how the district is governed.</p> <p>Advisory board members and central office staff could not consistently describe the governing structure of the advisory board, the interim superintendent and the central office staff.</p>

	<p>There is not a protocol in place to ensure that policy changes are communicated from the advisory board level to the school level or the community level.</p> <p>After a review of SBDM minutes for each of the schools, evidence indicates that minutes are not consistently posted and agendas are rare.</p> <p>There is not a clear process or procedure in place to monitor the effectiveness of district initiatives, policies, or procedures. Interviews indicated that there is not a consistent understanding of district initiatives or resources needed to achieve district goals.</p> <p>There is not a systematic process in place to review and change policies and procedures to meet the individualized needs of the district and its schools</p> <p>Interviews indicated that there is no process in place to ensure that policies and procedures continue to be implemented despite changes in personnel.</p> <p>Central office utilizes a school monitoring tool that is intended to provide principals with feedback around school processes and procedures. However, interviews and observations indicate that there is little or no evidence connecting the feedback to long term systemic improvement at the building level.</p>
<p>(b) Operational support - failure to provide the operational support services required to operate an efficient and effective school system including:</p>	
<p>1. Maintenance and operation of the physical plants - failure of the district to maintain school building cleanliness and safety including:</p>	
<p>Regulation 703 KAR 3:205, Section 2 (b)</p>	<p>Findings</p>
<p>Failure to develop and maintain an accurate record of the maintenance needs and expenditures</p>	<p>There is no posting on the district website for a Facility Director. It is recommended the district assign the duties of District Facility Director to someone other than the Interim Superintendent to ensure issues are handled in a timely manner.</p> <p>The district has implemented an on-line Work Order system but does not utilize its capabilities to the fullest.</p>

	<p>It is recommended the district establish a labor budget for maintenance and operation by facility (utilizing School Dude) to better support budgeting.</p> <p>District personnel generally made no reference to procedural checklists when asked directly if there were checklists available. It is recommended the district require maintenance staff to follow policies and procedures as indicated on the district website.</p> <p>There is no check-out/ check-in process for district assets used in maintenance/repair tasks. It is recommended the district establish an equipment inventory and tracking system.</p>
Failure to budget and expend funds necessary to maintain the physical plant	There is an overall district operations budget of approximately \$1,500,000, but it is not broken down by facility or function. It is recommended the district establish fiscal budget for maintenance and operation expenses by facility and function.
Failure to employ maintenance and operation staff who provide clean and safe school buildings.	No Finding
Failure to make efficient use of personnel as indicated by excessive staffing when compared to school districts of similar size and funding.	No Finding
Failure to make repairs that prevent costly and unnecessary maintenance expenditures.	No Finding
Failure to ensure that existing facilities are adequately insured	No Finding
<p>2. Facility construction - failure to manage a school facility construction program that is in compliance with 702 KAR Chapter 4 and is planned, executed, and completed to ensure that public funds are expended in a responsible manner including a failure to:</p>	
Regulation 703 KAR 3:205, Section 2 (b)	Findings
Develop and implement a planning process for identifying the need for new or improved facilities	The DFP indicates there are buildings designated as 'transition' buildings that will have debt service for the next eighteen years that is derived from energy savings in those buildings. This conflict must be resolved before any capital projects are undertaken. It is recommended the district develop a plan to reconcile the conflict between the designation of buildings as 'transitional', while maintaining long-term debt service.
Maintain an up-to-date facility survey or ensure that regulatory approvals are	No Finding

secured.	
Develop and implement plans to receive the allowable benefit from School Facilities Construction Commission.	No Finding
Follow proper bidding requirements and develop and maintain accurate records of expenditures and authorization of expenditures on school construction projects	No Finding
Institute an administrative oversight process to ensure that facility construction activities are efficient and accountable for both local and state funds.	No Finding
3. Maintenance and operation of the transportation system to provide and maintain an efficient transportation system including a failure to:	
Regulation 703 KAR 3:205, Section 2 (b)	Findings
Provide training for personnel responsible for the safe transportation of children in accordance with Kentucky Advisory Board of Education administrative regulations	<p>According to the interviews with bus drivers who transport special needs students, they have stated that they are lacking beneficial information and training to deal with the student's different disabilities. It is recommended that the Transportation Department provide more in-depth training for those drivers and monitors who transport special needs students.</p> <p>There is a safety concern with students walking between buses while the buses are entering or leaving the loading and unloading area. It is recommended that the Transportation Department work with individual school administrators on loading and unloading procedures to eliminate students having to cross between buses, which causes a safety concern.</p> <p>Consistently, there were insufficient school staff members present at the loading/unloading areas to monitor students. It was also observed that some staff at the loading/unloading locations were inattentive to student safety. It is recommended that additional school staff be located at the loading and unloading sites of students at all locations and be trained how to monitor for student safety.</p>
Develop and implement policies and procedures regarding the use of district-owned vehicles	See 'Fiscal Management-District Level' finding.

Purchase and maintain equipment to safely and efficiently transport children to school	No buses were ordered for 2018 due to budgetary constraints. It is recommended that the district develop and implement a strategic plan to support a financially feasible replacement schedule for the bus fleet.
Establish transportation routes that minimize public expenditure and time children spend in route to school.	No Finding
Follow bidding requirements for the purchase of equipment and materials necessary to conduct the school's transportation program.	No Finding
4.School food services - failure to develop an efficient system of school food services including a failure to:	
Regulation 703 KAR 3:205, Section 2 (b)	Findings
Develop and maintain an accurate record of school expenditures.	The timely completion of required documentation such as production records is not consistent. There are no backup persons trained to complete production records when management is unable to be present. In all situations, the production records must be completed by the end of the school day. A process for the accurate and timely completion of production records must be developed and implemented. A backup person at each facility should be trained to ensure completion is timely.
Utilize federal and local resources to operate a nutritious program in a cost effective manner.	Documentation revealed Sebastian Middle School has a breakfast participation percentage of 34%. Other sites in the district have current breakfast participation percentages as high as 84%. It is recommended the district increase its focus on low participation sites. School administration should work with site level food service staff and central office food service staff to develop a plan to improve participation. Specifically, the scheduling structure at Sebastian Middle School should be analyzed to help create an environment that is conducive to increasing breakfast participation.
Employ school food service staff who provide meals in accordance With federal and state guidelines.	Food service policy and procedure manuals were present in all facilities although they were outdated. It is recommended that an electronic file-sharing system be implemented to disseminate policies and procedures. This would allow site level staff to access the most recent policies and procedures and for the food service director to be able to update policies and procedures in one location. This would ensure the most current information is available to all staff.
Make efficient use of personnel as indicate by excessive staffing when	Physical limitations exist with having the food service director be solely responsible for all administrative

compared to school districts of similar size and funding	aspects of the programs. An additional central office administrative assistant for food service would provide support to site level operators and work with students to ensure meals offered are of the highest possible quality and offer food items that students have input in selecting. The food service budget is healthy, and these federal funds would support additional administrative staffing at the central office level that would allow for more and better oversight of the child nutrition programs. Implementation of an additional position requires a comprehensive communication plan to explain the business case for the additional position and alleviate public concern.
(c) Fiscal Management – District Level failure to perform the appropriate planning, budgeting, fund management, and accounting responsibilities required for the fiscal management of the school district including a failure to:	
Regulation 703 KAR 3:205, Section 2 (c)	Findings
Assess the need for expenditures. Recommend use of available funds according to an established set of priorities.	<p>There is no policy for usage of non-bus district vehicles. It is recommended the district develop and implement written policies and procedures for the usage of district vehicles.</p> <p>There is no formal process for employees or the public to file complaints (a hotline). It is recommended the district develop and implement policies and procedures that provide a system for investigating, monitoring, and reporting complaints (either at the school level or the district level). An anonymous complaint system is a necessary part of a healthy district.</p> <p>The district doesn't have a formal Disaster Recovery Plan, nor a Business Continuity Plan should a major loss of resources (human or physical) occur. It is recommended a Disaster Recovery Plan and Business Continuity Plan for all operational departments be developed before a true need arises.</p> <p>There is no evidence of formal Standard Operating Procedures documentation to verify that the district's policies and procedures are implemented consistently. It is recommended the district develop and implement formal Standard Operating Procedures, tailored to Breathitt County, for all policies and procedures.</p> <p>The Finance Officer will be retiring at the end of this school year (June 30, 2018). It is recommended the</p>

	<p>district undertake formal succession planning for the Finance Officer position. Steps must be taken to hire and cross-train a replacement at least 3-4 months before June 30, 2018 to ensure as smooth a transition as possible.</p> <p>There is concern that the public will respond negatively if the district uses a bank outside the county. It is recommended that the district develop a policy to solicit bank bids to provide best overall value for the district.</p> <p>It is not clear that the advisory board has clearly defined the criteria by which a program will be funded or terminated. It is recommended that, prior to budget approval, departmental requests for budget allocations include terms by which the funded program will be evaluated.</p> <p>A decline in enrollment as well as a decline in attendance percentage negatively impact SEEK funding. It is recommended the district develop and implement a strategic plan to maximize ADA in terms of both enrollment and attendance percentage to maximize state funding.</p>
Maintain accurate records of expenditures and authorization of expenditures as required for auditing purposes	No Finding
Comply with purchasing requirements applicable to school districts.	No Finding
Implement investment policies to ensure that all public funds are invested safely and productively.	No Finding
<p>(c) Fiscal Management –School Level- failure to perform the appropriate planning, budgeting, fund management, and accounting responsibilities required for the fiscal management of the school including a failure to:</p>	
Regulation 703 KAR 3:205, Section 2 (c)	Findings
Assess the need for expenditures.	
Recommend use of available funds according to an established set of priorities.	<p>Finance personnel at the school level did not have a working knowledge of grants utilized by their schools. It is recommended that someone at the school level have an in-depth understanding of the management of grants and be able to provide any supporting documentation relating to the grants upon request during an external audit.</p>

	<p>The assistant principals and teachers do not consistently receive formal Redbook trainings as evidenced by interview responses. There was no evidence of applicable Redbook training for other entities, such as booster clubs or a PTO, was delivered consistently. Some findings were repeated from the previous fiscal year. It is recommended that annual training on pertinent Redbook activities be mandatory for the assistant principals, teachers, and external entities as it is not sufficient to educate just finance staff and principals in this area. Training must address audit findings as well</p> <p>A review of a sample of the SBDM minutes for each school indicates there are no financial reports attached to the minutes as documentary proof that the principal and advisory board members review had substantive finance discussions during the meetings. It is recommended that all monthly SBDM minutes posted to the district's website contain any supporting documentation that is presented.</p> <p>A lack of segregation of duties was routinely noted throughout Breathitt County schools. A single person was observed to record the checks in chronological order, record receipts on a deposit ticket, and record revenue in the school accounting system and make the deposit. It is recommended that the district ensure segregation of duties at each school in recording receipts and revenues.</p> <p>There is no evidence of district-wide Standard Operating Procedures documentation to ensure consistent business practices across the district. There was evidence that processes for Purchase Orders, checks, and bank statements were not followed consistently. It is recommended that the district develop and implement Standard Operating Procedures to ensure school level financial activities are accurate and consistent.</p> <p>Principals consistently stated that their SBDM members did not understand allocations. It is recommended that the district implement additional training to SBDM council members to enhance understanding of allocations.</p>
Maintain accurate records of expenditures and authorization of expenditures as required for auditing purposes	No Finding

Comply with purchasing requirements applicable to school districts.	No Finding
Implement investment policies to ensure that all public funds are invested safely and productively.	N/A
<p>(d) Personnel administration - failure to ensure school district staff are prepared to perform the required professional and staff responsibilities in an effective and efficient manner, including a failure to:</p>	
Regulation 703 KAR 3:205, Section 2 (d)	Findings
Develop and implement employment practices and procedures that ensure the selection and placement of the most qualified personnel.	<p>The district does not utilize any formal task oriented Standard Operating Procedure documentation to execute the tasks related to personnel administration. There no documented procedure checklist or workflow documents that provide verification that the hiring practices of the district are consistently executed in compliance with the approved policies and procedures in Chapter 3 of the Policy and Procedures Manual. Although there is a checklist for the handoff of information between the personnel and payroll departments, there is no documented Standard Operating Procedure to ensure consistency in processing between Personnel and Payroll. It is recommended that the district develop explicit Standard Operating Procedure documentation for the Breathitt County version of personnel administration policies described in the district's Policy/Procedure Manual. All forms utilized in the Standard Operating Procedures should be catalogued and incorporated into a change management process.</p> <p>There is no designated space on the Job Vacancy Notice form to formally capture the approval signatures or dates of approval. It is recommended that the approval form be modified to formally capture the routing, signature, and date of approval by each approver.</p> <p>The Records Room sustained significant water damage in past and appears to have black mold on the walls. The room is in a general state of disarray. It is recommended that the district take immediate action to mitigate mold in the Records Room to make the room serviceable for file storage. It is further recommended that the district undertake a project to inventory and organize the contents of the Records Room in compliance with the state Records Retention requirements.</p>

	<p>There are two different programs for online application and it is unclear if they are the same or if one is preferred over the other. It is recommended that the district establish a single online application process that is easily identifiable to the job-seeking public.</p> <p>The review of a sample of personnel files indicated that there was no standard content to provide a consistent employee profile. Furthermore, the review indicated that in many cases pertinent documents, such as employment notifications and employee evaluations, had not been added to employee files for the past one or two years. It is recommended that the district develop an inventory list of mandatory standard documents to be included in an employee personnel file and implement a schedule by which documents should be added to employee files. Furthermore, it is recommended the district develop an internal audit process to periodically review personnel files for compliance with required documents.</p> <p>There is an Employee Handbook dated 2014-15 on the Breathitt County Schools website that indicates a section on “Employee Discipline”. The handbook bears little correlation to the district’s Policy/Procedures Manual. It is recommended that the district implement a process to update the Employee Handbook and other related employee information that is accessible on the website.</p>
Train and evaluate the professional staff of the district as required by applicable laws.	<p>Professional development and job-related training is tracked and monitored at the departmental level through Excel spreadsheets and is not consistently reflected in personnel files.</p> <p>For certified employees, the employee evaluations are maintained at the school level. The files did not consistently contain job descriptions to document employee responsibilities.</p>
(e) Instructional management - failure to develop and maintain district-level instructional policy including a failure to:	
Regulation 703 KAR 3:205, Section 2 (e)	Findings
Maintain a curriculum consistent with 703 KAR 4:060 and applicable laws.	The review of curriculum documents and interviews found that some documents were nearly blank and others demonstrated various levels of completion.

	<p>There is evidence supporting inconsistent occurrences of horizontal curriculum alignment across the district.</p>
<p>Provide the resources necessary to support the instructional program.</p>	<p>District feedback to schools that impacts student growth and achievement is limited.</p> <p>The district and schools have purchased numerous programs for progress monitoring but it is unclear which program initiatives have been a direct influence on student achievement.</p> <p>Written processes are not in place that address CTE data collection and accuracy, finance, review of program standards by both the district and schools, or student scheduling.</p> <p>There is not a process in place to ensure CTE advisory councils meet the requirements outlined in the Perkins Act.</p>

Management Audit Methodology

The management audit team utilizes both qualitative and quantitative data collected from the district both onsite and offsite in the analysis of district and school planning, governance, operations (e.g. financial, transportation, facilities, personnel) and instructional management. The audit team uses the following guideposts in review of the data:

- **APPROACH:** addresses the methods the organization uses to accomplish the work; the appropriateness of the methods to intended outcomes; effectiveness of the methods, the degree to which the activity is repeatable and based on reliable data and information
- **DEPLOYMENT:** how the approach is applied in addressing values relevant and important to the organization (performance goals); if the approach is applied consistently and is it executed by all the appropriate work units (offices, departments)
- **LEARNING:** how the organization refines the approach through cycles of evaluation and improvement (over time and several data points); encourages breakthrough change to approach through innovation; shares refinements and innovations with other work units and processes in the organization
- **INTEGRATION:** The approach is aligned with the organizational needs identified in the CDIP or CSIP or KBE goals and other departments; the measures, information and improvement systems are complementary across processes and work units; the plans processes, results, analyses, learning and actions are harmonized across processes and work units to support organization-wide goals

Audit Report

I. PLANNING

- a. **Team Members:** Kelly Foster, Cassie Blausey, Leesa Moman, Hiren Desai
- b. **Persons Interviewed:** Phillip Watts, Stacy McKnight, Ruschelle Hamilton, John Hollan, Albert Little, Susan Watts, Wayne Sizemore, George Johnson, Becky Watkins, All Principals, SBDM Members, State Manager

APPROACH:

Who is the leader of the governance and management system?

The advisory board is made up of 5 members. The range of membership at the time of the audit spans from 5 years to 23 months. As of June 10, 2017 an interim superintendent has been in place. However, there is not a clear understanding among the advisory board members as to who is the leader of the governance and management system. For example, interviews indicated that the advisory board members do not have a clear sense as to if the advisory board or the interim superintendent is the manager of the system. Additionally, there is not a clear indication about who is accountable to whom (e.g., advisory board members stating that principals are accountable to the advisory board). Advisory board members stated that they have received numerous trainings, however it is not evident that the content of the trainings is being implemented effectively and consistently.

What documents, policies, procedures indicate how the schools are governed?

The advisory board has adopted policies for administration and school governance however there is little evidence to indicate the tools used to implement those policies are effective (e.g., Homeless data is collected but the definition is not understood). Central office utilizes leadership meetings (COLT) in an effort to discuss day to day work. However, there is little evidence to indicate those discussions are tied to or directly aligned to providing direct support to the schools. Central office utilizes a school monitoring tool that is intended to provide principals with feedback around school processes and procedures. However, interviews and observations indicate that there is little or no evidence connecting the feedback to long term systemic improvement at the building level. Additionally, the effectiveness of the monitoring tool is stifled due to the fact that the interim superintendent does not routinely participate and only two central office staff members are regularly monitoring the schools. The interim superintendent has not established a process to ensure that the information collected is shared with him so that he can hold principals accountable. The district submits and updates 30-60-90 plans to KDE before each state board meeting. There was little to no evidence of the integration of these plans into district processes.

What are the organizational structure and job descriptions of the central office?

The advisory board has adopted policies around the hiring process, the duties of the interim superintendent, as well as compensation and benefits. The advisory board has recently updated the organizational chart and is in the process of updating job descriptions. There are five employees on the district leadership team and each covers multiple roles.

What are the communication structures in the school district?

Interviews indicated there is not a district wide communication plan in place and no one is specifically assigned to update the district website. Multiple interviews indicated that communication coming from the central office is an issue and a major challenge. Advisory board members could not clearly articulate how information was communicated to schools. Additionally interviews indicated there is not a process in place to engage parents in the use of Infinite Campus Parent Portal. The district utilizes a variety of social media platforms. However, the social media presence varies from school to school and within positions in central office. Interviews with central office staff and advisory board members indicate there is not a process to share positive information about the district and its schools to parents and the community.

What is the relationship between the central office and the Board of Education?

Interviews indicated that the relationship between the advisory board and central office is positive. Advisory board members reported they received the materials they needed and central office staff are available to walk through materials with them. Some advisory board members indicated that data is not presented in ways that is easy to understand.

DEPLOYMENT:**How far into the organization is the understanding of how the district is governed?**

Interviews indicate there is not a consistent understanding on how the district is governed. Advisory board members and central office staff could not consistently describe the governing structure of the advisory board, the interim superintendent and the central office staff. While some interviewees indicated that SBDM (School Based Decision Making) Council members have an understanding of their role and its relationship to the advisory board others did not (e.g., did not realize schools received staffing allocations).

How do you know?

Advisory board member interviews indicated a variety of answers in regards to how the district is governed. Some indicated that the principals report directly to, “us”, the advisory board. Interviews with central office staff demonstrated that there is inconsistency in communication as to who is responsible for initiatives at central office (e.g., monitoring visits, district webpage). Some interviews with SBDM members indicated an inconsistent understanding between schools in regards to how the district is governed.

LEARNING:**How are changes in policy and administrative tasks communicated in the organization?**

There is not a protocol in place to ensure that policy changes are communicated from the advisory board level to the school level or the community level. Interviews indicated that principals have recently been required to attend advisory board meetings but there is not a process in place to ensure that principals share information with school staff. Interviews indicated that SBDM minutes are uploaded to the website. After a review of SBDM minutes for each of the schools, evidence indicates that minutes are not consistently posted and agendas are rare.

After reviewing central office leadership minutes there is some evidence to indicate that policies and tasks are being discussed. Communication from central office staff concerning changes in policy and procedure are communicated via email. However, interviews with school staff indicate that the content in the communications are disorganized and sometimes incorrect leading to multiple emails on the same topic being sent to schools.

How do they know that the policies and procedures are working?

There is not a clear process or procedure in place to monitor the effectiveness of district initiatives, policies, or procedures. Interviews indicated that there is not a consistent understanding of district initiatives or resources needed to achieve district goals. Interviews and observations indicated that there is not a process in place to ensure that resources are being used for programs that are providing a return on the investment. For example, while advisory board members indicated Chrome Books were purchased to close the achievement gap there is little to no evidence to indicate that there is a monitoring system in place to ensure they are meeting that goal.

What are the processes in place to change the policies and procedures?

Advisory board members indicated that they rely on Kentucky School Board Association (KSBA) policy updates and that any policy change has to be reviewed by the advisory board twice before adoption. However, interviews indicated that there is not a systematic process in place to review and change policies and procedures to meet the individualized needs of the district and its schools. Interviews indicated that there is no process in place to ensure that policies and procedures continue to be implemented despite changes in personnel. For example, central office staff indicated that the school monitoring processes have been changed based on personal preferences rather than the use of data or deliberate conversation.

INTEGRATION:

What evidence is there that the policies and procedures work together for the goals of the school district/student achievement?

There is limited evidence that policies and procedures have been aligned to meet the individual needs of the schools and the district. Interviews with advisory board members and central office staff indicate that there is not a clear alignment between the district improvement plan and resource allocations. The lack of alignment of policies, procedures, and initiatives by the advisory board of education and the interim superintendent has resulted in central office ineffectively supporting schools (e.g., lack of quality middle school intervention program, limited district presence in buildings, lack of district support).

Planning Recommendation:

- In order to meet the individualized needs of the schools in the district central office and the advisory board need to move from a compliance mindset to one of continuous improvement. The interim superintendent, central office staff and the advisory board need to develop systemic change that builds a sustainable school system that ensures decisions are made based on research, school level data, community needs, and is flexible to the changing needs of the district.
- Examine and improve the alignment of central office work and personnel to develop district goals and strategies to support schools. Implement a systematic monitoring process to review the alignment of central office work and personnel to ensure effective support of schools. Alignment must include accountability for execution (e.g., interim superintendent, central office staff).
- Create a formalized district communication plan. This plan should focus on strategies for communication from the advisory board to central office and from central office to the schools. It should also include a process so that schools can communicate their needs to central office. As part of this formalized internal communication plan, there should be accountability for execution of this plan at all levels (e.g., advisory board members, interim superintendent, central office staff, school administrators, teachers).

II. OPERATIONAL SUPPORT- Food Services

a. Team Members: Steve Abbott, Kay Kennedy, Hiren Desai

b. Persons Interviewed: Director of Food Service, Lunchroom Manager, Lead Food Service Assistants, Principals, Interim Superintendent

APPROACH

Who is the leader of the operational systems in the district?

Tabitha Napier is the Food Service Director in Breathitt County. She is responsible for hiring employees and the evaluation process. She has direct oversight of child nutrition programs operated by the district. Food service staff in Breathitt County report directly to the Food Service Director.

Each site has a Manager or Lead Food Service Assistant responsible for managing day to day operations in the facilities. Managers and Lead Food Service Assistants directly supervise kitchen employees at their respective sites and ensure required documentation is completed.

What processes are in place to ensure they operate appropriately?

Management Audits conducted in 2012 and 2014 indicated that monthly managers meetings did occur and were adequately documented. The food service director continues to hold monthly managers meetings. An agenda is prepared, and relevant information is covered by the food service director. After managers attend monthly

meetings, they return to their respective sites where they train facility staff on pertinent information. Each staff member signs an attendance sheet/acknowledgement form indicating they were trained on agenda topics.

The director does monthly site visits to facilities. The director meets with a student committee to help provide healthy, quality, kid-friendly options to the student population. This meeting has occurred only once in the current school year.

The director completes United States Department of Agriculture (USDA) required monitoring reviews accurately and timely.

What documents and policies are in place to support operations?

Annual staff training is required along with multiple district created training opportunities to ensure staff have the necessary knowledge to operate the food service program.

Policy and Procedure manuals were present in each facility; however, the manuals have not been updated with current district policies and procedures.

Production records are maintained by facility operators, but some records were missing at Breathitt County High School and at Sebastian Middle School. Production records the current school year were found to be missing for breakfast on 11/1, 11/2, 11/3, 11/6, and 11/7; records were missing for lunch on 11/1, 11/2, 11/3, 11/4, 11/6, 11/7. As a result, 1,995 lunch meals and 948 breakfast meals were disallowed with a total fiscal impact of \$8,584.77. Other required documents were maintained accurately.

The district does participate in the Community Eligibility Provision (CEP) as indicated in the 2012 Management Audit. The district is successful at implementing CEP and documentation is maintained by food service to support implementation.

In the prior management audits in 2012 and 2014, it was documented that “reviewers could not determine if the district is charging Food Service for other direct costs in a manner that is consistent with USDA regulations”. The Administrative Review conducted in School Year (SY) 16-17 by the KDE Division of School and Community Nutrition revealed indirect costs were not collected properly. The issues with indirect costs have now been rectified.

DEPLOYMENT

How are operational processes deployed and how do you know they are working.

Operational processes are deployed through multiple outlets by the district. Information is effectively shared electronically by the director to facility staff when necessary and meetings are documented. Training documentation reflects processes are being deployed to all food service staff. School food service leadership staff attend monthly meetings.

The food service director is solely responsible for administering the program along with monitoring all aspects of implementation. The Management Audit conducted in 2012 revealed that the Food Service department previously employed an administrative assistant. The Food Service program no longer has an administrative assistant solely devoted to the work of the food service program.

The Breathitt County Schools website provides evidence that information about the available food programs is disseminated to the public including parents, students, and food suppliers. There is a lot of information available although the site is cumbersome to navigate.

The district also uses the MealViewer mobile app that allows parents to monitor school menus, nutritional information for menu items, and other school related informational items.

LEARNING

How do operational systems use data and information to improve?

Trends for participation in child nutrition programs are tracked by the district and used to target site visits and attempts are made to increase participation at low participating sites. The district has electronic systems to provide oversight of meal counts.

Documentation revealed Sebastian Middle School (SMS) has the lowest breakfast participation percentage of 34%, currently up 3% from SY 16-17. Other sites in the district have current breakfast participation percentages as high as 84%. If SMS participation is increased to equal Breathitt County High School's participation of 56% percent, this would yield \$56,110.23 in additional revenue. SMS's current breakfast meal service structure is not conducive to creating the highest potential participation percentage.

The documentation from the Management Audit conducted in 2012 indicated labor expenses were incorrectly being paid from the food service fund by staffing facilities at non-peak hours. This has been rectified and facilities are staffed based upon meals per labor hour worksheets as recommended by the KDE Division of School and Community Nutrition (SCN).

INTEGRATION

What evidence is there that learning is shared throughout the organization?

The food service director attends KDE trainings. Documentation reviewed indicates the food service director shares this information throughout the facilities. Staff members acknowledge this information sharing by signing the training documentation that is presented to them.

The district has processes in place to disseminate information to the persons responsible for specific areas of program operations. Information from the Management Audit conducted in 2012 indicated the superintendent did not consult with the food service director about decisions made for food service. Operational management is now more collaborative. The food service director makes decisions and works with the interim superintendent to ensure decisions comply with local policies as well as state and federal guidelines.

Operational Support Recommendation:

- Although the district has processes in place for implementation and monitoring of child nutrition programs, limitations exist with having the food service director be solely responsible for all aspects of the programs. Central office food service staff should be in the facilities frequently to monitor program documents, meal service, participation, and quality of food. Central office food service staff should be able to provide support to site level operators and work with students to ensure meals offered are of the highest possible quality and offer food items that students have input in selecting. The food service funds are managed separately from the district's general fund. The food service budget is healthy, and these federal funds would support additional administrative staffing at the central office level that would allow for more and better oversight of the child nutrition programs. Implementation of an additional position requires a comprehensive communication plan to explain the business case for the additional position and alleviate public concern.
- The timely completion of required documentation such as production records is an absolute must. There are no backup persons trained to complete production records when management is unable to be present. A process for completion of production records must be developed and implemented. In all situations, the production record must be completed by the end of the school day. A backup person at each facility should be trained to ensure completion is timely.
- It is recommended the district increase its focus on low participation sites. School administration should work with site level food service staff and central office food service staff to develop a plan to remedy participation issues. The scheduling structure should be analyzed at Sebastian Middle School to help create an environment that is conducive to increasing participation. A review of the breakfast schedule structure of other sites in the district that have higher participation rates is warranted.
- Food service policy and procedure manuals were present in all facilities although they were outdated. It is recommended that an electronic file sharing system be used to disseminate policy and procedures. This would allow site level staff to access the most recent policy and procedures and for the food service director to be able to update policy and procedures in one location. This would ensure the most current information is available to all staff.

II. OPERATIONAL SUPPORT- Facilities

- a. **Team Members:** James Bauman, Marcus Highland, Kay Kennedy, Hiren Desai
- b. **Persons Interviewed:** Interim Superintendent; District Maintenance Supervisor, Principals, Custodians, Asst. Principals

APPROACH

Who is the leader of the operational systems in the district?

The senior maintenance person, James Strong, acts as the head of district maintenance. The interim superintendent acts as Facility Director as well. There is no posting on the district website for a Facility Director.

What processes are in place to ensure they operate appropriately?

The district completed a District Facility Plan (DFP) in 2017 showing a need of over \$66,000,000. Facility surveys as part of the DFP process were completed in 2017.

There is an overall district operations budget of approximately \$1,500,000; it is not broken down by facility or function. Administrative oversight consists of the Finance Officer approving/denying work requests. There is no separate facility department accountable for its own budget. An amount is set at the beginning of the year and the district strives to make it work. It is not known if the budget is based on need, financial pressure, or anecdote.

The district now uses an online work order request system, but it is used only to request; system functionality to track costs and man hours is not used. Requests are often completed but not closed out in the system. Maintenance items, e.g. paper towels, cleaners, etc., are ordered and delivered; there is no specific budget nor cost control. Theft was mentioned as a previous issue, but staff turnover has reduced the problem.

Review of data in Facility Planning and Construction Application (FACPAC) indicates proper procurement procedures were generally followed for capital projects although information was incomplete; note that several projects were emergencies.

Processes are largely ad hoc, and issues are responded to on a case-by-case basis.

What documents and policies are in place to support operations?

The district has policies, procedures, and checklists on the district website for building maintenance, safety, and security. The district personnel generally made no reference to these checklists when asked directly if there were checklists available.

The district uses an on-line Work Order system, but does not utilize its capabilities to the fullest. Other than a budget line item and the Work Order system, there seems to be no other documents/policies in use.

Binders containing various approvals and emergency procedures were kept at the front desk of each school; Sebastian Middle School had not been updated in many years.

DEPLOYMENT**How are operational processes deployed and how do you know they are working.**

Schools generally appeared adequately maintained. Overall staffs were minimally sized, but adequate. The district has not analyzed needs and maintenance time requirements to determine proper staffing. Maintenance and repair is on an ad hoc basis; as items occur/break/leak, they are handled, but the district does not appear to have a strategy to get ahead, then stay ahead of the problems. One example is the vegetation (over a foot tall) observed growing out of gutters at Highland-Turner Elementary School.

Although there is a district inventory of tools and equipment, maintenance staff use personal tools and vehicles. There is no check-out/check-in process for district assets.

LEARNING

How do operational systems use data and information to improve?

Work orders are often not closed out. If properly used, the work-order system can capture labor hours, material usage, and locations to inform staffing and maintenance program decisions.

Maintenance and Safety checklists that are on the website are not utilized by staff.

INTEGRATION

What evidence is there that learning is shared throughout the organization?

There is a weekly meeting of the maintenance staff to review Work Order requests.

The district undertook a Guaranteed Energy Savings Contract (GESC) completed in 2015. Since the work was completed, two of the schools (SMS and LBJ) impacted have been designated as transitional facilities in the 2017 DFP. The ‘transitional’ designation means that those two facilities are projected to be closed. The energy savings generated by the GESC fund the debt service for the renovations and that debt service extends another 18 years. The conflict between the strategic direction in the DFP for school closure and the district’s long-term debt service must be resolved before any capital projects are undertaken.

Operational Support Recommendation:

- It is recommended the district assign the duties of district Facility Director to someone other than the interim superintendent.
- It is recommended the district establish a fiscal budget for maintenance and operation expenses by facility to include these functions:
 - Maintenance (e.g., mechanical/electrical/plumbing, mowing, painting, equipment)
 - Operation (e.g., paper towels, cleaning supplies)
 - Utilities
- It is recommended the district establish a labor budget for maintenance and operation by facility (utilize School Dude) to better support budgeting.
- It is recommended the district require maintenance staff to follow policies and procedures as indicated in the on-line Policies and Procedure Manual.
- It is recommended the district establish an equipment inventory and tracking system.
- It is recommended the district develop a plan to reconcile the conflict between the designation of buildings as ‘transitional’, while maintaining long-term debt service.

II. OPERATIONAL SUPPORT- Transportation

a. Team Members: Roger Kerns, Kay Kennedy, Hiren Desai

b. Persons Interviewed: Transportation Director, Interim Superintendent, Principals, Assistant Principals, Bus Drivers

APPROACH

Who is the leader of the operational systems in the district?

Although the interim superintendent and the advisory board are ultimately responsible for the district's transportation system, the Transportation Director currently has administrative oversight of the day-to-day activities of the Transportation Department. The school principals are responsible for the discipline of students who are cited through referrals submitted by school bus drivers or the Transportation Director.

What processes are in place to ensure they operate appropriately?

The district has a certified Driver Trainer on staff to train Breathitt County bus drivers. Drivers receive the required 8-Hour Update training annually.

Drivers conduct pre-trip inspections and post-trip inspections as required. Breathitt County has state-certified school bus inspectors on staff. Documentation to support compliance with requirements is kept at the bus garage.

Previous state inspections at the bus garage noted disarray and a lack of attention to the appearance of buses. These deficiencies have been addressed.

What documents and policies are in place to support operations?

Bus drivers adhere to the "Transportation Procedures and Training Manual" provided to all Breathitt County School bus drivers. The Transportation Department website has links to additional videos related to the safe transportation of students.

Bus-related discipline is carried out in accordance with the behavior matrix in the 2017-18 Student Code of Acceptable Behavior and Discipline.

DEPLOYMENT

How are operational processes deployed and how do you know they are working?

There is a safety concern with students walking between buses while the buses are entering or leaving the loading and unloading areas. All buses load and unload in the bus lane next to the schools (curbside) while the parent drop off location is located where the students must cross in between buses to enter the school. Most of the schools had some school staff visible, but it was not adequate. There was a lack of attentiveness and supervision to the unloading and loading of students to ensure their safety.

According to the interviews with bus drivers who transport special needs students, they have stated that they are lacking beneficial information and training to deal with the student's different disabilities. Drivers and monitors feel that knowledge about the disability of each student would allow them to provide more adequate care and safety in the transporting of each student.

Schools utilize the district behavior matrix in the student handbook to address behavior issues that occur on the buses. If a concern arises regarding a driver having difficulty with discipline on a given route, the school principal works with the Transportation Director to resolve the concern either by replacing the driver or providing the current driver with additional training. It is important to include bus drivers in training on techniques for positive behavior interventions and safe crisis management to decrease disruptive behaviors on the bus and ensure the safety of all students being transported.

The Transportation Director performs annual evaluations of drivers and technicians. The Transportation Director monitors bus driver performance at various times and locations.

LEARNING

How do operational systems use data and information to improve?

The district has addressed previously identified deficiencies. Breathitt County has eliminated all use of vans transporting students and has eliminated the use of contract drivers to transport students. Technicians are now employed as full-time technicians, so they can perform their primary job function as mechanics; they no longer serve as part-time bus drivers. Fuel cards have been issued for any district employee using gasoline to accurately track gasoline usage.

The bus garage has been cleaned up and is now very clean, organized and all bays are accessible to provide adequate space to service buses.

The Transportation Director determines what to include in the drivers' annual 8-Hour Update based upon the needs of the drivers in Breathitt County.

Bus routes have been reduced from 38 to 33.

There are no buses currently on inventory out of depreciation. Buses have been ordered as needed in recent years. No buses were ordered for 2018 due to budgetary constraints.

Breathitt County had numerous issues regarding the hybrid buses over the past few years. These issues appear to have diminished considerably.

INTEGRATION

What evidence is there that learning is shared throughout the organization?

The district utilizes Infinite Campus to evaluate and monitor discipline issues that are transportation related. Principals and assistant principals use the data to follow patterns and address behavior challenges.

Interviews with drivers and school administrators verified that the principals and assistant principals adequately addressed discipline referrals. Consequences ranged from verbal warning to bus suspensions.

Also observed was a lack of student supervision by school staff at the loading and unloading areas. Consistently, there were insufficient school staff members present at the loading/unloading areas. It was also observed that some staff at the loading/unloading locations were inattentive to student safety.

Operational Support Recommendation:

- It is recommended that the Transportation Department provide more in-depth training for those drivers and monitors who transport special needs students.
- It is recommended that the Transportation Department work with individual school administrators on loading and unloading procedures to eliminate students having to cross in between buses, which causes a safety concern.
- It is recommended that additional school staff be located at the unloading and loading sites of students at all locations and trained to monitor for student safety.
- It is recommended that the district develop and implement a strategic plan to support a replacement schedule for the bus fleet.

III. FINANCIAL MANAGEMENT- Central Office

a. Team Members: Steve Lyles, Kay Kennedy, Hiren Desai

b. Persons Interviewed: Finance Officer, Payroll Clerk, Accounting Supervisor, Interim Superintendent, Director of Pupil Personnel

APPROACH

Who is the leader of the financial management system in the district?

Darnell McIntosh is the finance officer of the district. She has been employed there for 32+ years, serving as the finance officer for the past fifteen years. During our interview, it was learned she will be retiring at the end of this school year (June 30, 2018).

What internal controls are in place to ensure the fidelity, efficiency, and accuracy of the financial records of the district?

Budgets

The advisory board is informed monthly of the financial status of the budget for all funds. During the monthly advisory board meetings, the finance officer goes over each fund in as much detail as advisory board members require. A sample of advisory board minutes and the accompanying financial documentation that corresponded to the advisory board presentation was reviewed.

Policies/Procedures

The district subscribes to the Kentucky School Boards Association (KSBA) Online Policy & Procedure Manual. It contains the policies and procedures the advisory board has adopted, and adhere to by district personnel. Several of the select policies and procedures are encapsulated in the digital documentation reviewed and based on conversation, there are instances where a formal policy is lacking. For example, the district has obtained a few non-bus vehicles yet there is no policy for usage of district vehicles. Additionally, there is no formal

process for employees or the public to file complaints (a hotline). Also, the district doesn't have a formal Disaster Recovery Plan nor a Business Continuity Plan (for any operational department) should a major loss of resources (either human or physical) occur.

The district has a few maintenance crew who still have cell phones (district paid), yet finance was unaware of a written cell phone policy. However, there is a cell phone policy, under *03.13214 Use of School Property* in the Breathitt County Online Policy/Procedure Manual provided by KSBA. Finance personnel should be aware of these types of policies.

There is no evidence of formal Standard Operating Procedures documentation to verify that the district's policies and procedures are implemented consistently.

Planning

The advisory board follows KDE's recommendations regarding staffing level guidelines. The finance officer explained that due to limited funding, several positions throughout the district are shared between schools. In determining each school's actual allocation, Breathitt County uses \$100 per Average Daily Attendance (ADA).

What is the relationship between the Central Office finance staff, the board of Education, other Central Office staff, and the schools?

The communication between financial staff at central office and financial staff at the school level appears very effective. Strong communication between the central office and the schools is necessary for a good working relationship and for a positive flow of information when it comes to finances.

DEPLOYMENT

How are the finance internal controls deployed throughout the district?

Internal Controls

Breathitt County Schools subscribes to the KSBA Online Policy and Procedure Manual. It became evident during the interview with the finance officer that school personnel do not consistently adhere to policies, even if they are contained within the manual.

Grants

During our review, the 2015/2016 financial audit and Breathitt County's Schedule of Federal Awards (SEFA) were examined. From the schedule, a random sample of three grants (ROTC, Title I, and Title IIA) was chosen. Grant awards, employee timesheets/activity reports, and random disbursements from each grant were chosen and reviewed. All documentation reviewed was as expected and in proper order. The documentation is housed either in file cabinets in central office, or in digital form in Munis (see purchasing/payables below).

Purchasing/Payables

The accounts payable clerk has been with the district approximately seven years. Paperwork is organized and bills paid timely. The district, in the past year, moved to scanning documentation within Munis so payment documentation is easier to locate, and storage space required to house cancelled checks, invoices, purchase

orders, and any other supporting documentation has been reduced. A sample of checks, invoices, and purchase orders were reviewed for proper signatures, dates, and coding and found to be in order.

Payroll

The payroll clerk receives the timesheets from the schools then examines them for professional development and accrual hours. Each school reports absences to the payroll clerk who reconciles to the timesheets each pay period. If there is extra time to be entered, certified employees submit a "Non-Contract Time Sheet" form and classified employees submit the "Additional Timesheet-Classified" form with their timesheets for payroll processing.

When timesheets are entered and payroll is complete, the timesheets are filed in the file cabinets in the payroll office.

Investments/Cash Management

Monthly bank statements are reconciled to the Munis financial system. A sample of the bank statements and the corresponding Munis reports were reviewed and found complete.

Breathitt County Schools also has an investment policy in the KSBA Policy Manual under Investments 04.6. Based on discussion with the finance officer, the district does not currently have excess funds to invest.

Bank Bid

The district last bid its bank service in 2017. Two responses were received but only one response was from a local bank. It was stated in interviews that the local bank was selected to support the local business rather than on the basis of best value to the district.

School Activity Funds/Other

The finance officer stated that an external Redbook consultant is brought in to provide training for central office and school level staff each year.

How do you know?

A sample of documents was reviewed during the on-site audit field work. Additionally, files and reports within Munis were reviewed. This evidence indicates internal control processes for financial controls are in good order.

LEARNING

What data and information are used to improve the financial standing of the district?

The Annual Financial Audit which contains a descriptive MD&A (Management's Discussion and Analysis) is a good measure of the financial condition of the district from year to year. The annual School Report Card published by KDE is a good source of data to determine how the district compares to surrounding districts and to like "sized" districts across the state. The interim superintendent stated that superintendents in the surrounding districts are good mentors both instructionally and financially.

How do they know that the internal controls and other policies/procedures are working?

An annual independent audit is performed for the school district. The FY 2016/2017 report was classified as an unmodified opinion. Only minor irregularities were found in a couple of the schools due to Redbook issues and those can be attributed to new bookkeepers. No findings were cited in the audit pertaining to the district and that was the same conclusion in the FY 2015/2016 audit report as well.

How is the board informed of the financial status of the district and the impact of the budget on student performance?

Prior to the regular monthly advisory board meeting, advisory board members are provided a packet of information that includes a financial summary of the district. The financial summary includes the bank reconciliation, cash flow projections, balance sheet (by fund), budget report for the general fund, and financial statement by fund. At the meeting, the finance officer reviews the reports and answers questions from advisory board members.

Through the budgetary process the advisory board determines which programs to fund. It is not clear that the advisory board has clearly defined the criteria by which a program will be continued or terminated.

INTEGRATION**What evidence is there that the policies and procedures work together for the goals of the school district/student achievement?**

Average Daily Attendance (ADA) drives state funding through the SEEK formula. Data from the districts School Report Card indicate a 3-year decline in ADA as well as ADM. The Superintendent's Annual Attendance Report (SAAR) 5-Year Trend Report on the KDE website indicates that the Attendance Percentage in the district has declined as well during that same time span. The Non-Resident Contracts with surrounding districts result in a net loss of students for Breathitt County Schools. A decline in enrollment as well as a decline in attendance percentage negatively impact SEEK funding.

The district successfully passed the nickel-equivalent to fund facility projects. This will enable the district to undertake much needed facility improvements, the extent of which depends on additional revenue generated by legislative action to equalize this revenue.

Although the economy in the region continues to present financial challenges for the district, the culture of the district appears to be on a positive trajectory. Advisory board meeting minutes indicate an interest in the impact of financial decisions to impact student achievement.

Financial Recommendations:

- It is recommended the district develop and implement written policies and procedures for the usage of district vehicles.
- It is recommended the district develop and implement policies and procedures that provide a system for investigating, monitoring, and reporting complaints (either at the school level or the district level). An anonymous complaint system is a necessary part of a healthy district.

- As part of the overall planning and security system of the district, it is recommended a Disaster Recovery Plan and Business Continuity Plan (for all operational departments) be developed before a true need arises. Plans should cover what should happen when natural disasters occur to financial records, how will Munis be accessed, how will payroll be run, among many other topics. A Business Continuity Plan is crucial for whenever a key resource, whether human or physical, is suddenly gone due to retirement or natural causes.
- It is recommended the district develop and implement formal Standard Operating Procedures, tailored to Breathitt County, for all policies and procedures.
- It is recommended the district undertake formal succession planning for the Finance Officer position. Steps must be taken to hire and cross-train a replacement at least 3-4 months before June 30, 2018 to ensure as smooth a transition as possible.
- It is recommended that, prior to budget approval, departmental requests for budget allocations include terms by which the funded program will be evaluated.
- It is recommended the district develop and implement a strategic plan to maximize ADA in terms of both enrollment and attendance percentage to maximize state funding.
- It is recommended that the district amend its policy for soliciting bank bids to clarify the criteria used to determine the best overall value for the district.

III. FINANCIAL MANAGEMENT- School

- a. **Team members:** Nicole Vanover, Jackie Chism
- b. **Persons Interviewed:** Principals, Finance Clerks, Secretaries

APPROACH

Who is the leader of the financial management system in the schools?

The financial management system at the school level is primarily led by the principal and school finance staff. In addition, each school has an SBDM. SBDM involvement in school finance is evidenced by the SBDM minutes and principal interviews. Some SBDM minutes are maintained on all the schools' websites but they are not kept up to date. Some school principals interviewed stated that school allocations were largely made at the district level and with the SBDM, with minimal control given to the school principal.

What internal controls are in place to ensure the fidelity, efficiency, and accuracy of the financial records of the schools?

School finance is administered in compliance with 702 KAR 3:130 School Activity Funds (Redbook). In addition to Redbook, there are advisory board policies and procedures in place to ensure monies are received and spent as intended.

For the SBDM to be truly engaged in the decision making regarding the school budget and staffing allocation, an understanding of Section 6 allocations is essential; however, principals consistently stated that their SBDM members did not understand Section 6 allocations. Most schools could not produce evidence that the advisory board approved the Budget for Section 6 and Section 7 funds.

SBDM councils are functioning in each school. Some monthly minutes are posted to the district's website. Throughout the interviews, all principals indicated they cover the budget during monthly meetings and it is listed in the agenda. Review of a sample of the SBDM minutes for each school indicates there are no financial reports attached to the minutes as documentary proof that the principal and advisory board members review had substantive finance discussions during the meetings.

What is the relationship between the Central Office finance staff, the Board of Education, other Central Office staff, and the schools?

Based upon interviews with the principals, secretaries, and finance clerks, communication is working well with the central office finance staff. Internally at the school level, all principals seemed to work well with their finance staff. All school finance staff mentioned that they work well with central office and can obtain answers for any questions they have, or problems they encounter. From a school finance perspective, no communication barriers seemed to exist.

DEPLOYMENT

How are the finance internal controls deployed throughout the schools?

Principals and finance staff are provided Redbook training annually at the central office at the beginning of every school year by an external resource. The assistant principals and teachers do not consistently receive formal Redbook trainings as evidenced by interview responses; although multiple finance staff stated they instructed the teachers on the Redbook procedures regarding the completion of the Multiple Receipts form. The High School did provide training to their teachers regarding Redbook and this was administered by Darnell McIntosh, who is the finance officer of Breathitt County. There was no evidence that training for external entities, such as booster clubs or a PTO, was delivered consistently.

All schools observed had a designated staff member who performed the "bookkeeper" duties. Their job titles were either secretary or finance clerk. Throughout most schools, the attendance clerk opened the general mail with one exception; one school stated their custodian opened the general mail. Principals are given bank statements and the person performing financial duties, whether that is the secretary or the clerk, are given checks, etc. This same person is responsible for recording checks in chronological order. Most persons in this role did not photocopy checks which is an optional regimen, but encouraged. The person records receipts on a deposit ticket and records revenue in the school accounting system to agree with the deposit tickets, and performs reconciliations. Suggested segregation of duties includes having three separate personnel to handle receipts and pay bills to protect school activity fund money from loss and limit the liability of persons handling the money. Routinely throughout Breathitt County Schools, one person was observed to administer the process of recording revenues.

All school finance staff confirmed that deposits are made daily, or when funds collected totaled \$100. Most schools maintain safes that are available to safeguard funds received, and no schools maintain a petty cash fund. None of the schools maintain a credit card at the school level; however, it was noted that the central office retains a Walmart credit card, including a sign-out procedure to individual schools for necessary purchases. All schools confirmed they maintain one bank account for school activity funds. All schools confirmed that if a

transfer took place between activity funds, the transfers were completed properly with a transfer form. All schools acknowledged that the Parent Teacher Organization (PTOs) maintained their own Federal Tax Identification Number (FTIN) and bank account. The school's PTOs are required to submit names of the club officers and submit an annual financial statement itemizing revenues, expenditures, and beginning and ending balances. All schools confirmed that their PTOs were adhering to this requirement.

Purchase orders are maintained at all schools with supporting documentation for school activity funds. The documentation was adequate and sufficient, with one exception noted. During a review of a random sample of purchase orders at one school visit, four purchase orders were missing required, authorized signatures. Samples of purchase orders reviewed at other schools were in order.

During a review of bank statements at one school visit, there was one instance noted where a check was signed by one person rather than two. Per Redbook, signature controls are an important aspect of accounting procedures; therefore, two signatures should be required on all checks that result in a disbursement from the school activity fund. During that same school visit, KDE observed three bank statements which were missing dates. Per Redbook, the bank statements should always be signed and dated by the principal prior to the "bookkeeper" receiving it.

KDE observed questionable expenditures made from the miscellaneous account at one school visit. After inquiring with the clerk, it was noted that pizza was purchased for a staff meeting out of the miscellaneous account. All expenditures should follow Redbook guidelines.

All schools visited, stated they followed the district procurement policy regarding bidding and purchasing activities. No evidence was found that suggested otherwise.

All schools confirmed that ticket sales were closely monitored according to internal control safeguards. Payments to persons who are district employees such as coaches and sponsors are paid through MUNIS payroll and not directly from school activity funds. Payments to persons who are not district employees, such as officials for athletic events, are paid by check from the school activity fund with a standard invoice and signed by the payee.

Grants, if applicable, are administered, processed, and maintained at the central office. The documentation surrounding grants may be maintained and controlled at the central office level; however, a basic understanding of the processes involved in grant management should exist at the school level. Finance personnel at the school level did not have a working knowledge of grants utilized by their schools.

How do you know?

Reviews examined a sample of receipts and expenditures which included purchase orders with accompanying invoices, receipts, check copies, or stubs from finance staff. Reviewers examined the findings noted in the last external audit conducted at the school level for each school visited, and inquired with the finance staff about all findings noted within the audit. Reviewers examined the general ledger for various accounts to confirm expenditures complied with Redbook. Reviewers examined bank statements and any outstanding checks. Reviewers inquired about grants, but all grant documentation was maintained at the central office. Reviewers also inquired about travel reimbursements, and were told all travel forms were maintained at the central office. Reviewers examined a sample of the requisition and report of ticket sales and confirmed the first and last tickets

were attached, and money reconciled per event. Reviewers examined a sample of SBDM Council minutes for all schools visited.

LEARNING

What data and information are used to improve the financial standing of the district?

Based upon the interviews with principals, the SBDM Council initially meets to recommend the staffing allocations. They review the district's allocation of discretionary funds and assist in customizing the budget to meet the needs of the students in their particular school. SBDM Council meeting minutes indicate the SBDM Councils meet monthly to discuss the ongoing needs of the school.

How do they know that the internal controls and other policies/procedures are working?

Each year an independent annual audit is performed at the school level to examine school activity funds. The FY 2015/2016 audit was the most current audit available for inspection. In reviewing the annual audit report and the auditor's notes pertaining to schools visited, there were only minor instances of irregularities noted, and management responses were obtained for those findings. Minor infractions were identified in the audit which were addressed by staff. Some of these findings were repeated from the previous fiscal year, and could possibly be repeated in further years. Repeat findings further validate the concerns for additional and continuous Redbook training.

How is the SBDM Council informed of the financial status of the school and the impact of the budget on student performance?

Principals indicated there is a financial component included in the SBDM Council meeting agendas. There is no evidence that the SBDM councils regularly include measures of success when deciding how to spend discretionary funds.

INTEGRATION

What evidence is there that the policies and procedures work together for the goals of the school district/student achievement?

During the interviews, it was noted that communication with the central office regarding finance related activities, was favorable in all schools interviewed.

Although there is Redbook training provided to school finance staff, there is no evidence of district-wide Standard Operating Procedures documentation to ensure consistent business practices across the district.

Financial Recommendation:

- For schools that receive funding through grants, it is recommended that someone at the school level have an in-depth understanding of the management of grants and be able to provide any supporting documentation relating to the grants upon request during an external audit. At least one member of the

school finance staff should be able to explain the procedures and policies that are in place to ensure grants are being properly allocated and accounted.

- It is recommended that annual training on pertinent Redbook activities be mandatory for the assistant principals, teachers, and external entities as it is not sufficient to educate just finance staff and principals in this area. Providing others with knowledge in this area will also help matters in the event school finance staff has to take leave unexpectedly, or during a replacement period if one leaves their place of employment.
- It is recommended that all monthly SBDM Council minutes posted to the district's website contain any supporting documentation that is presented.
- Segregation of duties is a critical implementation for sustaining risk management and internal control. Without this separation in accounting duties, the risk of fraud and error increases. It is recommended that the person performing bookkeeper duties in each school does not solely perform the recordation of receipts and revenues, together with the final reconciliation of the report log. Additional staff members must assist in the process to mitigate risk.
- It is recommended that the district develop and implement Standard Operating Procedures to ensure school level financial activities are accurate and consistent.
- It is recommended that the district implement additional training to SBDM council members to enhance understanding of allocations.

IV. PERSONNEL ADMINISTRATION

a. Team Members: Kay Kennedy, Hiren Desai

b. Persons Interviewed: Personnel Manager, Interim Superintendent, Finance Officer, Payroll Clerk

APPROACH

Who is the leader in hiring and staffing for the district?

The interim superintendent is the leader in hiring and staffing for the district. The staffing formula approved by the advisory board determines the number of positions at each location in the district. Interviews with advisory board members indicated that they understood the role of the advisory board is to establish positions without involvement in the hiring process. The Personnel Manager is the leader in the day-to-day administrative tasks that ensure compliance with state and local policies related to the hiring and continued employment of both certified and classified employees. During interviews with both the interim superintendent and the Personnel Manager, they each indicated that advisory board members do not interfere in the operational aspects of personnel administration. At the regular monthly meetings, the advisory board is notified of new hires, transfers, resignations, retirements, terminations, non-renewals, suspensions, reductions, and leave.

What processes are in place to hire, train, and provide support for certified and classified staff?

The district utilizes the KSBA policy service to govern personnel administration. Chapter 3 of the Policy Manual addresses both certified and classified personnel administration. The related procedures further describe how the policies should be implemented.

Principals and operational department heads make a request to the Personnel Manager to fill or post open positions. The interim superintendent and the Finance Officer initial the request form (no date of approval captured) to indicate their approval so the Personnel Manager can post the open position to the appropriate websites. There is no designated space on the Job Vacancy Notice form to formally capture the approval signatures or dates of approval.

Certified job openings are posted on the district's website and then entered to the Kentucky Educators Placement Service (KEPS) program on the KDE website. Classified job openings are posted on the district's website.

When a new employee is hired, the Personnel Manager provides the new employee with a packet containing informational documents and required employment forms. The employee returns the forms to the Personnel Manager for processing. The Personnel Manager starts a personnel file for each employee that contains personnel related documents such as the application information, contract information, benefits forms, withholding forms, immigration status, etc. Appropriate information is provided to the Payroll Clerk to establish the employee in the MUNIS system

On the Breathitt County Schools website, under "Links" there is an option to select "Forms/Links". On this page, there is link to on-line FERPA training from the U.S. Department of Education and a link to 2017-18 Promoting Positive Behavior in Schools training from the University of Louisville. Although there are district wide generic training opportunities, job specific training is provided at the operational unit level. For example, the Transportation Department ensures that bus drivers are properly trained and licensed to drive a school bus. In the Food Service Department, employees receive regular training in first aid, CPR, Food Handling, Food Born Illness, and Civil Rights. In the Finance Department, staff are cross-trained to execute critical business functions. With respect to certified employees, new teachers are provided KTIP training. The district provides professional development opportunities to meet statutory requirements.

Active employee files, as well as recently inactive employee files, are maintained in a secure location on the main floor of the central office that is easily accessible to the Personnel Manager. Archived personnel files of inactive employees are maintained in a secure room in the basement of the central office labeled "Records". This room also contains archived files for the Finance Department and Attendance. The "Records" room sustained significant water damage in the past and appears to have black mold on the walls. The room is in a general state of disarray.

What processes are in place to ensure fairness in staffing?

All applications for open positions must be entered through the Frontline program. Operational department heads and principals have access to the online applications and can see only the applications for the positions under their control. There is no screening of applicants at the central office level; principals and department heads do that themselves. The department heads and principals can review the applications and schedule

interviews for job candidates. Principals utilize the SBDM Councils and operational department heads to interview and make hiring recommendations.

DEPLOYMENT

What evidence is there that the evidences mentioned in the approach are deployed in all staffing and hiring situations of the district?

The district does not utilize any formal task oriented Standard Operating Procedure documentation to execute the tasks related to personnel administration.

Access to employment opportunities on the website is confusing. The district's home page has a link called 'Job Openings' which has a link called 'Click here to Apply for a Job!' that takes the user to an online application program called Frontline. The Frontline program lists job openings and has directions on how to complete the online application process. On the 'Job Openings' link there is a column heading called 'Employment' that shows no job openings. However, the Frontline program shows multiple job openings. Additionally, there is a link on the home page called 'Forms', directly above the 'Job Openings' link. The 'Forms' link directs the user to a site which has another link called 'Apply for Jobs Here!' which directs the user to an application site that looks completely different from the Frontline program. This site lists the open positions and has an application process that looks different than the Frontline application process. It is not clear to the user if the two different programs for online application are the same, or if one is preferred over the other.

There is evidence of a separation of duty between the Personnel Manager and the Payroll Clerk in setting up new employees. Although there is a checklist for the handoff of information between the personnel and payroll departments, there is no documented Standard Operating Procedure to ensure consistency in processing. Additionally, there is no inventory of the documents in each personnel file to show that the data is complete. It is recommended that the district develop a formal procedural task list and a file inventory system to ensure consistency and accuracy in the setup of new employees.

Professional development and job-related training is tracked and monitored at the departmental level through Excel spreadsheets and is not consistently reflected in personnel files.

LEARNING

What measures of effectiveness are gathered to improve the hiring and staffing system especially in gap areas?

The review of a sample of personnel files indicated that there was no standard content to provide a consistent employee profile. Furthermore, the review indicated that in many cases pertinent documents, such as employment notifications and employee evaluations, had not been added to employee files for the past one or two years.

For certified employees, the employee evaluations are maintained at the school level and are not in the employees' personnel file. It is recommended that a copy of the evaluation be kept at the school location (secured) but the original should be maintained in the employee's official personnel file at the central office. Furthermore, forwarding the original evaluations to central office in a timely manner would provide the interim superintendent means to hold principals accountable to complete the evaluations in a timely manner.

With respect to classified employee files reviewed, there was evidence that evaluations had been included in the past, but none had been added in the past couple of years. Consistently, the files did not contain job descriptions to document employee responsibilities. As mentioned above, it is recommended the district develop a standard inventory of documents to be included for each employee.

INTEGRATION

What evidence is there that employees understand the hiring practices and that it is systematic?

There is no documented procedure checklist that provides verification that the hiring practices of the district are consistently executed in compliance with the approved policies and procedures in Chapter 3 of the Policy and Procedures Manual. It is recommended that the district implement Standard Operating Procedures that identify all steps and associated forms that support the hiring process.

The Personnel Manager indicated that the principals and operational department heads have a good understanding of the hiring process and the role of the SBDM Council in the process. There is no formal checklist or workflow document to ensure that the practices are systematic.

There is little evidence of disciplinary actions in the employee folders. There is an Employee Handbook dated 2014-15 on the Breathitt County Schools website that indicates a section on "Employee Discipline". The handbook bears little correlation to the district's Policy/Procedures Manual. It is recommended that the district update the Employee Handbook that is accessible on the website.

What evidence is there that the staffing works with the goals of the school district /student achievement?

The staffing formula determines the number of positions at each location in the district in compliance with state requirements. Principals, in consultation with their respective SBDM Councils, can lobby for additional positions. Within budgetary constraints, the advisory board has the discretion to establish additional positions it deems necessary to support the instructional and extra-curricular programs in the district. The Finance Officer maintains an Excel spreadsheet to manage position control within the district.

Personnel Management Recommendation:

- It is recommended that the district develop explicit Standard Operating Procedure documentation for the Breathitt County version of personnel administration policies described in the district's Policy/Procedure Manual. It should include but is not limited to the processes related to the employee hiring, employee termination, and employee maintenance (demographics, transfers, evaluations, discipline, grievance,

etc.) It is recommended that the district develop a formal procedural task list and a file inventory system to ensure consistency and accuracy between departments, such as between Personnel and Payroll in the setup of new employees. All forms utilized in the Standard Operating Procedures should be catalogued and incorporated into a change management process.

- When the Personnel Manager receives a request to fill a vacancy, it is recommended that the Job Vacancy Notice form be modified to formally capture the routing, signature, and date of approval by each approver.
- It is recommended that the district take immediate action to mitigate the appearance of mold in the Records Room to make the room serviceable for file storage. It is further recommended that the district undertake a project to inventory and organize the contents of the “Records” room in compliance with the state Records Retention requirements.
- It is recommended that the district establish a single online application process that is easily identifiable to the job-seeking public.
- It is recommended that the district develop an inventory list of mandatory standard documents to be included in an employee personnel file and implement a schedule by which documents should be added to employee files. Furthermore, it is recommended the district develop an internal audit process to periodically review personnel files for compliance with required documents.
- It is recommended that the district implement a process to update the Employee Handbook and other related employee information that is accessible on the district website.

V. INSTRUCTIONAL MANAGEMENT

a. **Team Members:** Susan Greer, Tim Godbey, Felicia Bond, Charlotte Jones, Sam Watkins, Leesa Moman, Todd Tucker, Ben Fritz

Interviewed: Interim Superintendent, Chief Academic Officer, Special Education Director, State Manager, All Principals, Assistant Principals, Guidance Counselors, ER Staff, Teachers, SBDM Council Members, Family Resource Youth Services Coordinator, Nurse, Custodians, Cafeteria Staff

APPROACH

Who is the leader of the curriculum and instructional processes in the district?

The leader of curriculum and instruction is the Chief Academic Officer (CAO). Her other duties include Instructional Coordinator, District KTIP Coordinator, Title III/LEP Coordinator and District Assessment Coordinator. The Special Education Director is also the School Health Coordinator, Pre-school Coordinator, Title IV Coordinator, School Based Decision Making Coordinator and oversees Response to Intervention. Interviews indicated that the CAO and the Special Education Director collaborate to implement and/or monitor some curriculum and instructional initiatives.

What processes are in place to ensure that core curriculum is aligned with state standards processes and horizontally aligned within the district?

Based on a document review and administrative and teacher interviews, the most recent work around curriculum and instruction occurred during the District Big Four Curriculum Days, organized and led by the Educational Recovery staff, followed by Non-Instructional Teacher Equivalency Days throughout the school year. The curriculum (curriculum maps, pacing guides, unit/lesson plans) has been further developed during District and school-level Professional Learning Communities (PLCs), school-level coaching sessions led by some principals and in faculty meetings. While the district-level Progress Monitoring Visit protocol contains questions related to “curriculum monitoring,” building leadership responded with a variety of methods for their own monitoring of curriculum. However, there is little evidence to support the concrete role of the district in these processes, other than to lead the discussion around the document. Based on interviews, each principal follows up on the curriculum development and revision based upon the current context of individual schools.

While the Progress Monitoring Visit protocol has been implemented as the vehicle for monitoring many initiatives, including curriculum alignment, this work is still evolving. Currently, district feedback that informs the system to impact student growth and achievement is limited. Based on interviews, only recently have the district staff and principals asked teachers to present their curriculum work during PLC meetings to discuss the evidence and progress. Interviews revealed that some curriculum documents were nearly blank and others demonstrated various levels of completion. In addition, the extent to which data from multiple assessments were used by personnel to ensure that there was a systematic process for district-wide alignment remained unclear.

Based on shared curriculum documents and interviews, there is evidence supporting inconsistent occurrences of horizontal curriculum alignment across the district. In addition, clear checks and balances for congruent alignment for this work remains unclear.

How do you measure effectiveness of these processes?

The following programs have been purchased for progress monitoring and for student placement in intervention settings: Measurement of Academic Progress (MAP), Dynamic Indicators of Basic Early Literacy Skills (DIBELS), Curriculum Based Measures (easyCBM), Assessment and Learning in Knowledge Spaces (ALEKS), Reading Plus, Marie Carbo’s Power Reading, IXL Math, Khan Academy and Lexia. While the district and schools have purchased numerous programs for progress monitoring, the extent to which program evaluation for effectiveness is not evident (e.g., 32 licenses are being used for ALEKS and there are 222 available at one school). Administrator interviews reveal that while student achievement has improved in certain areas, sustainability is questionable as it remains unclear as to which program initiatives have been the direct influence on noted improvements.

What processes are in place to ensure that rigorous, engaging instructional strategies are used in classrooms?

There is some evidence the district provides opportunities for staff to discuss rigor and student engagement. Walkthroughs are conducted mainly by school leadership primarily using the eleot™ document. However, the overall system for frequency and feedback is inconsistent and many times absent. The degree to which these walkthroughs and feedback impact instructional practice and/or student achievement was not evidenced. The walkthrough process is not consistently implemented throughout the district. Feedback from walkthroughs, when conducted, is not immediate or consistently provided to improve the use of effective instructional

strategies in classrooms. The Comprehensive District Improvement Plan (CDIP) Goal 1, Measurable Objective 1, Strategy 3 also states, “district liaisons will monitor principals on instructional coaching and feedback to staff.” However, the district amended this strategy in the 30-60-90 Day Plan so that only the Chief Academic Officer and the Director of Special Education will participate in walkthroughs and only as requested by school principals. Staff indicate, however, when walkthroughs are conducted, feedback and coaching are limited and in some cases non-existent. Interviews indicated inconsistencies in the feedback process with some stating they only received a copy of the walkthrough instrument with no verbal feedback and others report they receive neither written nor verbal feedback and/or coaching from the walkthrough experience.

Additionally, the district collaborated with KDE to provide two days of professional development experiences for all teachers in the district that included Shipley’s Continuous Classroom Improvement model and two days of cooperative learning strategies training. The district does expect the cooperative learning strategies to be used and all teachers in the district are required to use a specific strategy, from the list of ten strategies, each month. Many teachers reported the cooperative strategies were completed based on compliance and rarely impacted the quality of instruction. Some reported the district did not consider whether the strategy of the month was most appropriate for specific units of study and particular learning targets. The cycle did not provide a contingency for being flexible with using strategies based upon student learning styles and was expected to be used whether it was a best fit or not.

CDIP Goal 1, Measurable Objective 1, Strategy 1 stated the district will use a rigor and relevance framework to create common assessments, but there is little evidence to demonstrate implementation, communication, nor training for this process occurred. School level interviews indicated that many PLCs used the data questions as a guide for their instructional work and that PLC group memberships varied depending on decisions made by school leadership. Multiple interviews indicated that schools have been working to complete curriculum work in some grades and content; however, teachers did report in interviews a lack of rigor within units of study.

What evidences are there of alternative programming for students?

Evidence of alternative programming included documented interventions, special education services, 504 plans, credit recovery, Character Education Classroom and in-school suspension programs. Interviews also indicated Functional Mental Disability (FMD) units existed for elementary, middle and high school age students. An online credit recovery program, Edgenuity, is available at the high school facility as well as an alternative placement setting. There was not a full-time counselor in all schools, limiting student access to services.

What documents, policies, procedures are being used to ensure curriculum/ special education requirements are being met?

Required policies were housed online via the district webpage. More specifically, policies and procedures that were used to ensure these requirements included relevant Kentucky Revised Statutes and Breathitt County Schools policies and procedures for special education. District leadership indicated that Co-Teaching for Gap Closure (CT4GC) was being utilized as a district initiative. Conversely, interviews revealed discrepancies around the implementation of the co-teaching model. Furthermore, interviews reported that some special education teachers feel they are fulfilling the role of instructional assistants rather than co-teachers.

The district has established a process for teachers to engage in conversations about curriculum in an effort to bring more consistency to what is being taught, how it is being taught, and the results from common assessments. However, there is little evidence to support this work as being systematic or truly having an impact on student achievement.

How do you measure effectiveness of these processes?

Artifacts and interviews revealed the creation and use of a progress monitoring tool for implementation of district initiatives. While there are some processes and procedures being developed and implemented to address curriculum, instruction and assessment, there is little evidence to indicate the district or schools have methods to evaluate the effectiveness of these initiatives. Some schools do implement particular strands of the PDSA protocol with no district expectation for full implementation in all schools based on artifacts and interviews.

Review of artifacts and interviews also show evidence of a referral system for special education placement as well as tiered interventions; however, teachers reported this did not happen in a timely manner. The Director of Special Education has developed and implemented monthly special education data meetings for the purposes of discussion of student data (e.g., Name and Claim, “cusp kids”).

DEPLOYMENT

What evidence is there that the processes identified are deployed with fidelity throughout the organization?

There is evidence the district attempts to deploy initiatives designed to improve teaching and learning. The CDIP specifically identifies persons responsible for the deployment of improvement initiatives for monitoring and accountability purposes. Artifacts such as agendas, minutes, planning and monitoring tools show evidence of an inconsistent attempt to deploy specific district initiatives as referenced in the CDIP. District and school officials meet to discuss teaching, student performance and support practices. While progress notes are documented on the district-approved school progress monitoring tool and next steps are identified during some meetings, interviews with school leaders and teachers reveal the district lacks consistency in the deployment of these processes. While the district has created specific initiatives in the CDIP, activities exist that have not been deployed.

Numerous district processes, previously deployed as a result of efforts by Educational Recovery Staff and district employees, have lagged and in some cases have been completely abandoned at the direction of current and past district leaders. The disruption of the previously deployed systems have interrupted communication among the layers of the organization. Specifically the abolishment of the Academic and Learning Environment Review Team (ALERT) to monitor classroom environment left a void for gauging student progress. Additionally, regular, consistent principal meetings with the district office staff have become infrequent creating a gap in the communication of district initiatives and expectations throughout the organization. Review of artifacts reveal little evidence of regularly scheduled COLT meetings which results in the further breakdown of effective communication structures. The absence of these initiatives has left interviewees with discrepant answers regarding key factors, including the current district priorities.

Multiple staff interviews indicated communication regarding initiatives from the CAO were inconsistent, unclear and often placed unreasonable deadlines on the completion of tasks. There was also evidence to indicate the interim superintendent did not share instructional expectations nor expectations regarding the deployment of the district's improvement plan. There was not a clear, formal process to hold the district staff accountable for deploying the actionable steps of the plan. Additionally, interviews from some staff indicated the interim superintendent needed to be more visible in schools and encourage/support specific district initiatives.

LEARNING

What processes are in place to use data and information to improve learning processes?

There was evidence of some processes such as school and district PLCs, quarterly reports, progress monitoring, eleot™ observations at the elementary levels and PDSAs at the elementary and middle school levels. District PLCs were reviewing data using the data questions at the elementary and middle school levels while there was limited evidence of such activity at the high school level.

According to interviews, teachers are conducting item analysis of assessments at the elementary and middle school levels; however, there is little evidence to support self-reflection on teaching practices resulting in instructional adjustments. While coaching sessions are held with teachers by some principals, there is limited evidence to support that discussion around revising instructional practices exists; the focus is on reviewing the data.

There was not a clearly identified process and protocol from district level leadership for setting the expectation of daily and/or weekly use of formative assessments to inform instructional practices. Some building level administrators and teacher leaders did not articulate a process by which data was regularly used to inform instructional practices/adjustments, MAP data is being used to determine tiered intervention placement; however, this data is not informing instructional practice.

What evidence is there that these are working?

A process exists at the elementary and middle school levels for the analysis of common summative assessments. However, limited evidence was provided at the high school level. During interviews teachers were able to substantiate that data was being discussed at school and district PLCs; however, there is still a lack of evidence that many of the initiatives and processes created and developed are being implemented with fidelity or evaluated for overall effectiveness.

What data and information are used?

There is some evidence in some schools that RTI data is reviewed and used to place students in appropriate tiered level interventions. There is little to no evidence that this is occurring district-wide.

INTEGRATION

How is the learning from each of the levels used to improve the overall system?

There is not a clearly communicated instructional process from the district to the schools that is implemented to improve the overall instructional system in order to increase student achievement. Based on artifacts and interviews, some processes (e.g. professional learning communities, common assessments, RTI, coaching of cooperative learning strategies) have been implemented on a limited basis to support curriculum, instruction and assessment but the impact remains unclear.

Based on document reviews and interviews, evidence of a systematic, intentional process from district leadership to ensure continuous improvement efforts throughout the district is limited. There was a lack of evidence provided to support that the district has created an aligned, coherent framework to enable all schools to progress in a unified, sustainable manner.

Instructional Management Recommendation:

- District leadership must create a plan to revise its infrastructure and strengthen its capacity to deploy key district initiatives related to curriculum, instruction and assessment in order to support schools and hold them accountable for reaching rigorous learning goals. Members at all levels (e.g., interim superintendent, central office staff, school administrators and teachers) must have the capacity to develop, deploy and monitor such plan and be held accountable for its success.

V. INSTRUCTIONAL MANAGEMENT- Career and Technical Education

a. Team Members: Helen Jones, Karla Tipton

b. Interviewed: High School Principal, Counselor, CTE Teachers, JROTC Instructor, Educational Recovery Staff

APPROACH

Who is the leader of the curriculum and instructional processes in the district?

At the time of the audit the assistant principal at the high school was the Career and Technical Education (CTE) Coordinator. The CTE Department staff at the high school indicated that the high school administrative leadership team is supportive of the CTE programs.

What processes are in place to ensure that core curriculum is aligned with state standards processes and horizontally aligned within the district?

Breathitt County High School College and Career Readiness (CCR) accountability saw significant growth during the 2016-17 school year. However, during a review of student records it was discovered that most students did not have the correct number of CTE credits based on the pathway. Of the 10 records which were reviewed only one student had the proper credits. Most of the students had less credits than reported.

There is very little evidence to support the course sequences for the pathways are being followed. Scheduling of CTE courses that were not credited to the pathway has resulted in students not having accurate credits. Staff indicated that school leadership is working to prioritize scheduling for students taking CTE courses. However, interviews indicated that there are concerns that students are being pulled from CTE courses for academic interventions.

How do you measure effectiveness of these processes?

The school is measuring effectiveness with the CCR accountability data. The CCR data is used to determine if the school is meeting the CCR goal set by the Kentucky Department of Education (KDE). Interviews indicated that the school is beginning to analyze data, but there is little to no evidence that indicates the analysis is used to make improvements in CTE programs.

What processes are in place to ensure that rigorous, engaging instructional strategies are used in classrooms?

Breathitt County High School report card data indicated that the high school has seen an increase in CCR. Some teachers indicated that the school is becoming more data driven. However, after reviewing a sample of student transcripts and school schedules, the data indicated many students are not taking the accurate sequence of courses for the assigned pathway. This keeps students from gaining the necessary credits in a pathway to become either preparatory or a completer.

What evidences are there of alternative programming for students?

Interviews indicated that CTE courses are often used to fill holes on a student's schedule. A review of the master schedule and of student records from the past two years indicated that course of sequence for several pathways are not being followed (e.g., Animal Science, Engineering) Additionally, it was revealed that there are several students participating in CTE cooperative education and many of these students do not meet the requirements to be eligible for coop.

What documents, policies, procedures are being used to ensure curriculum/ special education requirements are being met?

Currently all CTE purchases are being approved through Kentucky Department of Education Office of Career and Technical Education. This process ensures that only allowable purchases are made for the programs.

Carl D. Perkins Career and Technical Education Act (2006) requires that each CTE pathway have an advisory council for each program of study. The advisory councils should include parents, students, administrators, and teachers in that program as well as representatives from business and industry. Based on interviews, each of the programs have an advisory council established, however they are not utilized as there is no evidence of agendas and meeting minutes.

How do you measure effectiveness of these processes?

There is little to no evidence that a monitoring process for CTE is in place. CCR data has improved over the last year; however, there is little to no evidence that this improvement is sustainable because a monitoring process is not in place. There is not a process in place to ensure that all staff members attend professional development for their program area. This leaves school leaders with limited information concerning requirements of CTE limiting their ability to create processes to improve effectiveness.

DEPLOYMENT

What evidence is there that the processes identified are deployed with fidelity throughout the organization?

There are few processes in place for the deployment of a successful CTE program. Additionally, evidence revealed that these processes are not being implemented with fidelity. For example, some student transcripts indicated that students were classified as preparatory; however, those students did not have the correct number of credit hours to be preparatory for the pathway. This creates inaccurate data (e.g., credit hours, attend hours, student objectives, preparatory status, industry certifications).

LEARNING

What processes are in place to use data and information to improve learning processes?

Interviews revealed that there is little to no evidence that data is being used to improve learning processes. Evidence indicates that CTE assessments, data collection processes, data monitoring processes, and continuous improvement processes are not utilized effectively and therefore cannot improve the CTE program.

What evidence is there that these are working?

The districts data has improved; Breathitt County High School went from 50.88 % in 2015-16 to 73.44% CCR in 2016-17. However, there are not clear processes in place that can be attributed to the increase in data and there is not a plan in place to support long term sustainable growth. Based on the review of data during the monitoring, many students who took an assessment that led to the increase of CCR numbers were not eligible to take the assessment.

What data and information are used?

Interviews indicated that CCR data is reviewed primarily to address academic and college readiness. KOSSA scores were not mentioned as a data point during the interview process. A sample of senior student transcripts that were identified as completers were reviewed. Only 10% of the transcripts reviewed correctly identified students as completers. Most of the senior transcripts that were identified as completers were not even preparatory.

INTEGRATION

How is the learning from each of the levels used to improve the overall system?

There is no evidence to support a clear understanding for implementation of an effective CTE Program. Interviews with school leadership and CTE staff did not indicate a clear direction for growing or improving the program.

There is limited evidence that there is a process to ensure student, community, business and industry needs are being met by the CTE program. There is little to no evidence to indicate that leadership is utilizing the interest of students and the needs identified in the Labor Market Information (LMI) to ensure that the needed pathways are being developed, taught or grown.

Career and Technical Education Recommendations:

- District and school leadership should create written processes that address data collection and accuracy, finance, reviews of program standards by both the district and schools, and student scheduling around pathways.
- District and school leadership should create a process that ensures advisory councils meet the member requirements outlined in the Perkins Act and are an integral part of the decision making process in pathway development.