



# **Seattle Public Schools The Office of Internal Audit**

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**Internal Audit Report**

**Special Education – Writeback Process**

**March 11, 2017 through November 12, 2018**

Issue Date: December 4, 2018



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## Internal Audit Report Special Education – Writeback Process March 11, 2017 – November 12, 2018

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### Executive Summary

#### Background Information

State and federal laws require Seattle Public Schools to ensure all students eligible for special education receive a free appropriate public education (FAPE) that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living. The District's Special Education department works collaboratively with schools and District leaders, teachers, students, and families to provide the tools, guidance, support, and services needed to ensure access and appropriate progress for approximately 7,700 special education students in the District. The District's special education program is conducted in accordance with the state regulations governing implementation of special education services pursuant to the Individuals with Disabilities Education Act (IDEA of 2014). The State rules for provisions of special education are addressed in Washington Administration Code Chapter 392-172A. The District's School Board Policy 2161 and Superintendent Procedure 2161SP align to the federal and state laws.

The Office of Superintendent of Public Instruction (OSPI) monitors the District's compliance with state and federal Special Education compliance requirements. Noncompliance with state and federal Special Education requirements could jeopardize the District's funding. When OSPI's monitoring procedures identify noncompliance, the District is required to prepare and implement a Special Education Comprehensive Corrective Action Plan (C-CAP) which identifies the root causes that contributed to the identified noncompliance and establishes a plan to produce long-term solutions for the deficiencies identified by OSPI.

Individualized Education Programs (IEPs) document the special education services a student will receive. The organization and contents of IEPs are highly standardized by law and must meet specific compliance requirements. In the 2010-2011 school year, the District transitioned to a new online computer software, IEP Online, to compile IEPs. The IEP online system provides staff with all the tools needed to perform special education assessments and keep track of student progress in a manner that is compliant with state and federal requirements.

The District's ability to produce, access, use, and report accurate and timely data related to Special Education has been identified as a contributing factor to noncompliance with state and federal Special Education compliance requirements for more than eight years. In response to the noncompliance identified by OSPI for the 2011-2012 and 2012-2013 school years, the District identified the transition to the IEP Online system as one of four root causes for the noncompliance. The District's C-CAP submitted to OSPI on October 25, 2013, states that the transition caused significant data issues resulting in lost student data, inaccurate reporting of the number of students eligible to receive services, inconsistent monitoring, and cumbersome assess to existing data.

On June 19, 2014, the Office of Internal Audit issued an audit report for the Special Education Department which also identified a concern associated with the District's process for reporting enrollment of special education students. The audit noted that the District's IEP Online system does not electronically merge or interface with the District student information system, PowerSchool. This further compounded the District's issue identified in the C-CAP related to the transition to the IEP Online System. The District generates the P223h report, which reports the District's special



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## Internal Audit Report Special Education – Writeback Process March 11, 2017 – November 12, 2018

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education enrollment, from the data in PowerSchool. Because the IEP Online System and PowerSchool do not electronically merge or interface, District staff were manually entering data from the IEP Online System into PowerSchool. The audit results stated the District's manual process for preparing the P223h report, was inefficient, redundant, and increased the risk of errors in the special education enrollment count. Errors in reporting the special education enrollment count could lead to further noncompliance with state and federal special education compliance requirements, and further jeopardize the District's funding.

In a letter dated September 18, 2014 OSPI declared the District a high-risk grantee and provided notice of OSPI's intent to withhold \$3,000,000 of IDEA funding for the 2014-15 school year. The letter stated District's designation as a high-risk grantee was in part due to the District's failure to implement the C-CAP. The letter stated upon receipt of evidence of acceptable performance within the 2014-15 grant period, OSPI may incrementally restore a portion of the withheld funding.

Over the course of several years, the District worked with OSPI to implement the C-CAP, a revised C-CAP, and a Memorandum of Understanding (compliance agreement). In a letter dated June 1, 2017, OSPI sent a request to the Department of Education to rescind the District's designation as a high-risk grantee. The letter goes on to state that the District had entered into an extensive compliance agreement with OSPI that was monitored on a weekly, monthly and quarterly basis by OSPI, the regional Educational Service District, and representatives from the United States Department of Education. OSPI stated based on OSPI's on-going monitoring of the District, OSPI determined the district had implemented the compliance agreement and corrected the systemic issues that initiated their designation as a high-risk grantee. The letter also states OSPI's approval to restore the remaining portion of the \$3,000,000 of IDEA funding.

As one of several items aimed at ensuring the sustainability of the steps taken by the District to remediate the issues that led to the high-risk grantee designation in 2014, the Department of Education and OSPI requested the District's Office of Internal Audit perform an audit of the sustainability of the District's compliance agreement with OSPI, and an audit assessing the effectiveness of the District's new writeback process.

In response to this request, the Office of Internal Audit intends to issue two audit reports during the 2018-19 school year. The Special Education – Sustainability of the Corrective Action Plan audit, which is currently in progress and scheduled to be completed in the spring of 2019; and the Special Education – Writeback Process audit, this audit report. The Special Education – Writeback Process audit is intentionally narrow in scope considering only the District's current writeback process and the sustainability of the writeback process.

### Writeback Process

To address the issue identified by OSPI and the Office of Internal Audit, the District devoted significant resources to the development of the writeback process. The writeback process is the electronic retrieval of a data extract file of key data elements from the IEP Online system which can then be electronically merged or integrated into PowerSchool. As a result, the District's staff are no longer required to manually enter data from the IEP Online system into PowerSchool. The writeback process increases the efficiency and accuracy of the P223h report. The writeback process also supports the District's C-CAP as one of several steps taken by the District to produce, access, use, and report accurate and timely data related to Special Education. The writeback process was implemented on March 11, 2017. The purpose of this audit is to determine if the District



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## Internal Audit Report Special Education – Writeback Process March 11, 2017 – November 12, 2018

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has created and implemented a system of internal controls to monitor the writeback process to ensure the process is operating as intended.

### **Roles and Responsibilities**

This audit was completed as part of the *Annual Risk Assessment and Audit Plan* approved by the Audit and Finance Committee on September 4, 2018. District management has the primary responsibility to establish, implement, and monitor internal controls. Internal Audit's function is to assess and test those controls in order to provide reasonable assurance that the controls are adequate and operating effectively. We conducted the audit using due professional care, and we believe that the evidence obtained provides a reasonable basis for our findings and conclusions. This audit was requested by the U.S. Department of Education.

### **Audit Objectives**

The primary objectives of this audit were to determine if:

- The District created and implemented a system of internal controls to monitor the writeback process and ensure that it is operating as intended.
- The writeback process is sustainable to ensure ongoing effectiveness.

### **Scope of the Audit**

March 11, 2017 through November 12, 2018

### **Audit Approach and Methodology**

To achieve the audit objectives, we performed the following procedures:

- Planned the audit in cooperation with the Special Education Department to ensure that we had a strong understanding of the District's special education process.
- Analyzed available data to corroborate the information obtained during our walkthroughs.
- Reviewed all applicable RCW's, WAC's, and OSPI reference material for state compliance requirements.
- Interviewed special education staff knowledgeable of the various processes that were covered in the audit.
- Interviewed department of technology services (DoTS) staff knowledgeable of various processes that were covered in the audit.



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**Internal Audit Report**  
**Special Education – Writeback Process**  
**March 11, 2017 – November 12, 2018**

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- Performed tests and analysis of the objective areas to support our conclusions.
- Protected student data and identities throughout the course of the audit.

## **Conclusion**

Based on the results of the audit procedures performed:

- The District has created and implemented a system of internal controls to monitor the writeback process and ensure that it is operating as intended.
- The writeback system is sustainable to ensure ongoing effectiveness.

The report includes opportunities for improvement related to the effectiveness and sustainability of the writeback process.

We extend our appreciation to the staff within the Special Education Department and Department of Technology Services for their assistance and cooperation during the audit.

*Andrew Medina*

Andrew Medina, CPA, CFE  
Director, Office of Internal Audit



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**Internal Audit Report**  
**Special Education – Writeback Process**  
**March 11, 2017 – November 12, 2018**

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**Findings and Recommendations**

**1) Timeliness of the Data Extract File**

The District is required to report special education enrollment data to OSPI on the P223h report. The District's must transfer data from the IEP Online system to PowerSchool in order to complete the P223h report. To increase the efficiency and the accuracy of the P223h report, the District developed the writeback process. The writeback process is the electronic retrieval of a data extract file of key data elements from the IEP Online system which can then be electronically merged or integrated into PowerSchool. The District relies on a data extract file from the IEP Online system vendor to perform the writeback process. Without the data extract file, the automated writeback process is not possible. In order for the writeback process to be successful, the data extract file must be available by a specific time each day. When the automated writeback process is not successful, special education staff revert to a manual process of entering the key data elements from the IEP Online system into PowerSchool. If the data extract file becomes available later in the day, the coordination of several District staff members within the Special Education Department and the Department of Technology Services (DoTS) is necessary to manually perform the writeback process for the day.

Even though the District has implemented adequate controls to ensure that the data is reported accurately, each time the writeback process is not successful due to an untimely data extract file, there is a loss to District staff productivity. During our review of the writeback process we found that manual procedures must be employed an average of two and a half times a month because the data extract file from IEP Online is not made available to the District at the designated time.

We reviewed the District's contract with the vendor for the IEP Online system to determine what recourse is available to the District when the data extract file is not available on time. We noted the contract is silent as it relates to the data extract file. The contract does not identify the data extract file as a deliverable, and there is no mention of the data extract file in the contract.

**Recommendations:**

To improve the efficiency of the writeback process, we recommend the District work with the IEP Online vendor to increase the timely performance of the data extract file, and to update their contract as follows:

- Identify the data extract file as a deliverable the vendor will provide to the District.
- Identify expectations related to the timely availability of the data extract file.
- Identify the recourse available to the District when the data extract file is not available on time.



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**Internal Audit Report**  
**Special Education – Writeback Process**  
**March 11, 2017 – November 12, 2018**

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## **2) Sustainability of the Writeback Process**

During our review, we considered the sustainability of the writeback process to ensure its ongoing effectiveness. We noted the District has adequate controls to modify, change, or update the writeback process if necessary, but we identified two opportunities to improve the controls related to documenting and supporting the writeback process.

### Monitoring the Writeback Process

We found the Special Education Department has procedures for monitoring the writeback process; however, the monitoring procedures are not formally documented. Additionally, we noted the Special Education Department has not identified a back-up staff member who could perform the monitoring procedures when the primary staff member responsible for the monitoring procedures is unavailable.

### Retrieval of the Data Extract File

DoTS has a process/procedure for the retrieving of the data extract file; however, the process/procedure is not formally documented. Additionally, when we asked one of the DoTS staff members identified as a backup to retrieve the data extract file, they were not able to perform the process/procedure without being provided additional information.

The lack of detailed procedures documenting the key processes, and a lack of identified back-up staff members who can also perform the writeback process, increases the risk that the writeback process will not be sustainable if key staff members were unavailable for an extended period of time, or if they were to leave employment with the District.

## **Recommendations**

To ensure the sustainability of the writeback process, we recommend that:

- The process/procedures for monitoring the writeback process and retrieving the data extract file be formally documented.
- The formally documented process/procedures, once created, should be tested by the identified back-up staff members to ensure documentation is adequately detailed.
- The back-up staff members responsible for the writeback process when the primary staff members are unavailable should be clearly identified.



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**Internal Audit Report  
Special Education – Writeback Process  
March 11, 2017 – November 12, 2018**

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**Management Response**

*The District takes its obligations to federal and state laws and rules, locally determined policies and use of public resources seriously. The District agrees with the findings of the internal audit and will address each in a manner that reflects adherence to best organizational practice coupled with stewardship of public resources.*