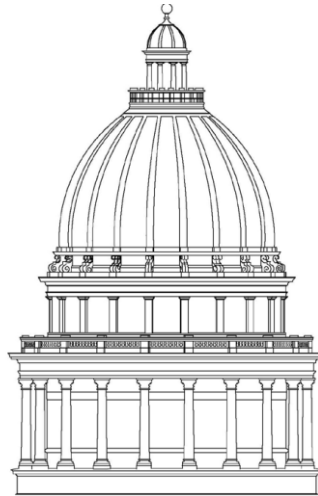


REPORT TO THE
UTAH LEGISLATURE

Number 2022-02



**An In-Depth Budget Review of
the Weber School District**

April 2022

Office of the
LEGISLATIVE AUDITOR GENERAL
State of Utah



April 20, 2022

The Utah State Legislature:

Transmitted herewith is our report, An In-Depth Budget Review of the Weber School District (Report #2022-02). An audit summary is found at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any items contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

A handwritten signature in black ink that reads "Kade minchey". The signature is written in a cursive, slightly slanted style.

Kade R. Minchey, CIA, CFE
Auditor General
Kminchey@utah.gov



IN-DEPTH BUDGET REVIEW

▶ AUDIT REQUEST

The Legislative Audit Subcommittee requested that we perform an in-depth budget review of the Weber School District (WSD, or district) to determine the district's efficiency and effectiveness in using funds. This is the first in-depth budget review of a local education agency (LEA) after Senate Bill 160 was passed in 2021 which expanded the scope of in-depth budget reviews to include LEAs.

▶ BACKGROUND

WSD oversees the education of over 30,000 students in the Weber County area and is one of the largest school districts in the state of Utah.

WSD has lower property tax rates than almost any district with a similar tax base and is below maximum allowable rates.

WSD spends similar amounts on classroom instruction compared to peers but appears to spend far less on instruction support. However, comparisons are imperfect due to differences in coding expenditures. Overall spending per student is \$1,170 less than the average of its district peer group.

Overall district expenditures grew from \$259 million to \$335 million between fiscal years 2017 and 2021.

Weber School District



KEY FINDINGS

- ✓ WSD's strategic plan does not focus on district performance goals and could be updated to better target district priorities.
- ✓ Targeted efforts by WSD to improve graduation rates through the Roy Cone Project demonstrate the benefits of strategic planning.
- ✓ WSD can bolster its controls and oversight over grant management to ensure the safeguarding of district funding.
- ✓ The efficiency and spending of most WSD operational areas examined in this audit are similar to what is seen in peer districts, with the exception of higher food costs at WSD.
- ✓ WSD lacks various best practices in district operations and board management.



RECOMMENDATIONS

- ✓ WSD should review and update its strategic plan to align with district and board priorities.
- ✓ WSD should identify ways to focus its priorities on measurable outcomes, especially those that focus on improving student proficiency.
- ✓ WSD should evaluate the adequacy of internal controls over grant management districtwide.
- ✓ WSD should compare operational performance to that of peer districts and implement best practices in district operations and board governance.



REPORT SUMMARY

WSD’s Strategic Plan Could Be Updated to Target District Priorities

Opportunities exist for WSD to implement best practices to improve its strategic plan. We believe this will increase accountability and help the district better target student performance. WSD’s Roy Cone Project demonstrates the value in pairing targeted funding with strategic goals and objectives.

WSD Can Bolster Its Controls and Oversight Over Grant Management

We found that the Career and Technical Education and finance departments at WSD can improve several areas of its grants management process. Our concerns stem from errors in grant budgets and reimbursements that caused WSD to forfeit a small amount of grant funding. These issues caused the Utah State Board of Education

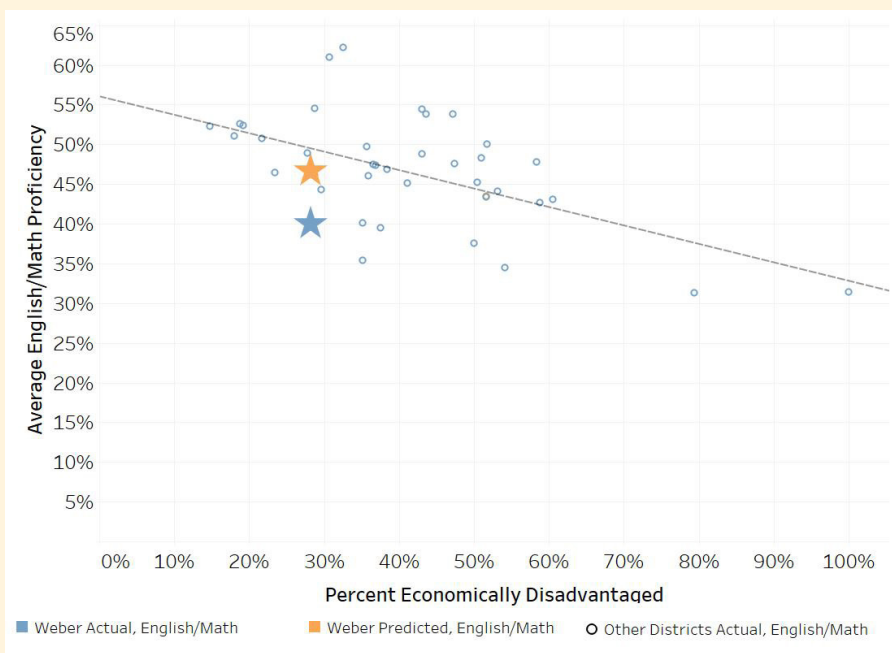
to designate WSD as a “high risk” district in relation to its CTE grants management process. To ensure the safeguarding of grant funding going forward, WSD should implement required policies, adopt best practices, and evaluate the adequacy of existing internal controls.

Comparing Best Practices in Key Operational Areas Can Reveal Opportunities for Improvement

The district’s operational expenditures in recent years generally performed similarly to peer districts with comparable levels of student enrollment. However, we believe that continuing to compare WSD’s operational areas with those of peer districts is a best practice that can help WSD identify future areas of concern. Additionally, implementing other best practices could further reduce risk in the district.

Actual Student Proficiency in the Weber School District Was Below Expected Proficiency for School Year 2019

After taking into account WSD’s demographics, WSD appears to be performing below expectations on statewide, standardized tests. This figure highlights the percent of students that are economically disadvantaged, a variable strongly correlated with proficiency rates, while controlling for other characteristics.

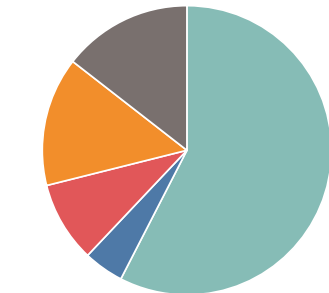


Weber School District (FY2021)



	# of Schools	Total Students	5 Year % Change in Enrollment	Graduation Rate	% Special Education	% English Learner	% Free/Reduced Lunch	% Economically Disadvantaged	Student Teacher Ratio
Weber	47	32,197	3.2%	90.4%	1.6%	3.9%	23.8%	24.5%	21.0
State Average	22	14,326	2.7%	88.7%	1.4%	6.7%	34.7%	37.3%	21.5
Rank	7	8	16	17	28	19	12	11	29

Spending by Operational Area



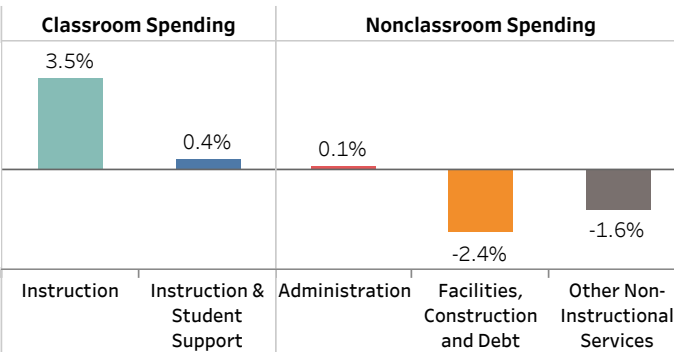
- Instruction
- Instruction & Student Support
- Administration
- Facilities, Construction and Debt
- Other Non-Instructional Services

Percent of Spending

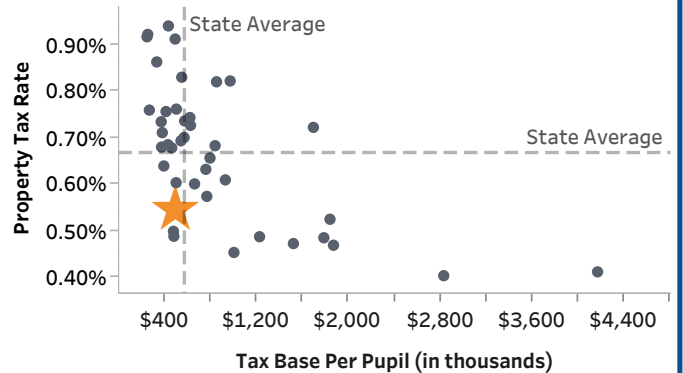
Per Pupil Spending by Area

		Weber	State Average	Peer Group Average
Grand Total		100.0%	\$10,510	\$12,295
Classroom Spending	Total	62.1%	\$6,522	\$7,065
	Instruction	57.6%	6,049	6,102
	Student Support	3.4%	354	502
	Instruction Support	1.1%	119	461
Nonclassroom Spending	Total	37.9%	\$3,988	\$5,230
	Administration	9.1%	951	1,002
	Facilities, Construction and Debt	14.4%	1,515	2,342
	Plant Operation	6.5%	687	854
	Food Service	4.1%	430	410
	Transportation	2.9%	309	302
	Other Operation	0.9%	96	319

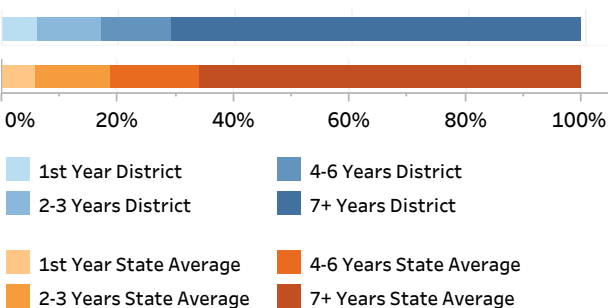
Five Year Percentage Change in Spending (FY2016-2021)



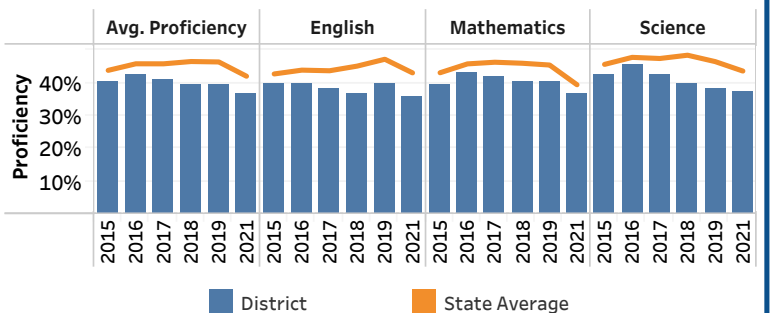
Tax Base Per Pupil vs. Property Tax Rate



Distribution of Teaching Experience



Student Proficiency Scores



REPORT TO THE UTAH LEGISLATURE

Report No. 2022-02

An In-Depth Budget Review of the Weber School District

April 2022

Audit Performed By:

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Chapter I

Introduction

Weber School District (WSD, or district) oversees the learning and development of students in the foundational years of their academic career. This comes with a responsibility to deliver instruction that addresses students' individual needs while meeting state and federal standards. Our in-depth budget review looked at WSD's operations to evaluate efficiency and effectiveness and found that the district compared favorably with its peers. We also focused on ways to strengthen the district's internal controls and on areas of improvement in WSD's strategic plan, which could lead to greater accountability. These findings will be discussed in later chapters.

This chapter discusses the following:

- The statutory mandate for our office to conduct in-depth budget reviews of local education agencies (LEAs)
- WSD's relatively low tax rates and the potential for greater funding through board action if needed
- A summary of WSD's expenditures from fiscal years 2017 to 2021, demonstrating the district's focus on instructional spending

As part of our audit work, we created two dashboards of school districts' financial information, outcomes, and risk areas. The first dashboard appears after the Audit Summary of this report and includes demographics, expenditures, student achievement, and other information. An interactive version is available by clicking or scanning the top link on the right of the page. This online version allows users to select different years and school districts in the state. The second dashboard, which can be found at the bottom link on the right of the page, includes key metrics we identified for school districts. The metrics do not necessarily identify deficiencies in districts but rather identify areas where the district may need to devote extra attention or resources.

Our in-depth budget review looked at the efficiency and effectiveness of the district's operations as well as the district's strategic plan and internal controls.

Click or Scan for School District Dashboard



Click or Scan for Education Key Metrics



In-Depth Budget Reviews Focus on Stewardship of Public Funds

The Legislative Audit Subcommittee selected WSD for an in-depth budget review. To complete this review, we conducted a risk assessment of the district's controls as well as programs, revenue, and spending from fiscal years 2017 through 2021.¹ We also looked at the degree to which WSD followed best practices and how it performed relative to the performance of its peers.²

Utah Code 36-12-15.1 allows the Office of the Legislative Auditor General to audit the appropriations of at least one entity annually. This section of statute applied strictly to state agencies until Senate Bill 160 was passed and subsequently became law after the 2021 Legislative General Session. Senate Bill 160 expanded the scope of in-depth budget reviews to include LEAs (school districts and charter schools). The intent of these reviews is to determine the entity's efficiency and effectiveness in using appropriated funds. Statutory requirements for in-depth budget reviews are summarized in Figure 1.1.

Utah Code requires the Office of the Legislative Auditor General to annually audit the appropriations of one local education agency.

Figure 1.1 In-Depth Budget Reviews Assess an Entity's Appropriations and Spending. Statute requires the following items to be evaluated as part of an in-depth budget review.

- The entity's appropriation history
- The entity's spending and efficiency history
- Historic trends in the entity's operational performance effectiveness
- Whether the entity's size and operations are commensurate with its spending history
- Whether the entity is diligent in its stewardship of state resources

Source: *Utah Code* 36-12-15.1

As part of this audit, we performed a risk-based review of WSD's operations and identified areas of improvement in district governance, management, and internal controls. These findings are discussed in subsequent chapters.

¹ Graphs related to revenue and School and Institutional Trust Lands Administration spending can be found in Appendix B.

² Based on student enrollment, WSD's peer school districts are Canyons, Washington County, and Nebo.

WSD's Tax Revenues Are Lower Than Those of Most Districts with Similar Tax Bases

WSD spends significantly less per pupil than peer districts with similar enrollment numbers, which is partially due to its relatively low revenues from the district's tax base. WSD's biggest source of revenue comes from the state; taxes imposed are the second largest source of revenue. Tax revenues are a function of two variables: the tax base and the tax rate. The tax base is determined by several factors, including the valuation of property and the mix of homes and businesses. WSD's property valuation per pupil is below the state median, and its tax rate is low relative to those with similar valuations in peer districts. These comparisons will be explored in more detail later in this section.

At \$493,000, WSD ranks 26th of the 41 school districts in terms of property valuations per pupil and below the state median of \$570,000 per pupil. Among its three peer districts, WSD's tax valuations per pupil are lower than Canyons and Washington County but higher than Nebo's. The market controls the property valuations that make up WSD's tax base, but the WSD board controls how high its tax rates are set.

Figure 1.2 shows how WSD compares with the ten closest school districts in terms of tax base per pupil. WSD's three peer districts are also represented. Data for all districts can be seen on our dashboard (see the link on the right). In comparing tax rates, none of WSD's peer districts and only two of these ten closest districts have lower tax rates than WSD. Across the entire state, only districts with tax bases per pupil that are more than double WSD's tax base have significantly lower rates.

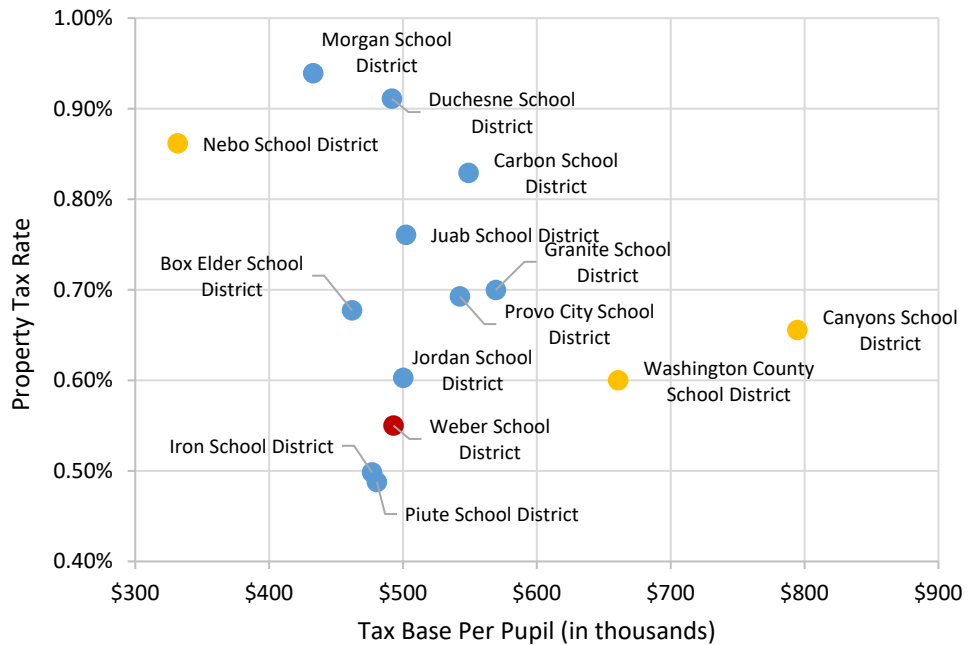
WSD falls below the state median tax base, ranking 26th of the 41 school districts.

Click or Scan for School District Dashboard



Only school districts with more than double WSD's tax base have significantly lower tax rates.

Figure 1.2 WSD Had a Lower Property Tax Rate Than Most Districts with Similar Tax Bases Per Pupil in Calendar Year 2021. Of the ten districts that have similar tax bases (blue dots) to that of WSD (red dot), only two have lower tax rates than WSD’s rate of .55 percent, while some are significantly higher. Districts similar in size to WSD (yellow dots) differ greatly in their tax base per pupil but all have higher tax rates.



Source: Utah State Tax Commission

WSD has operated with relatively minimal tax burden on its residents. This was a main focus of the district when the WSD board sought additional bonding authority in the 2021 election. As will be discussed in Chapter II, the district has sought to operate leanly, especially at the administrative level. During the Great Recession, WSD made a conscious effort to maintain spending in the classroom at the expense of other areas. Since that time, the district also has been able to increase graduation rates substantially, as shown in Chapter II. These are commendable goals and outcomes.

Because WSD’s tax rates are lower than what is seen in most other districts, including those with similar tax bases per pupil, additional revenue is available through board action if needed. The school board would be required to go through the truth in taxation process to increase rates, but the board is able to increase the district’s levies (tax rate) up to their statutory limits. Figure 1.3 shows WSD’s current

The Weber School District Board of Education is able to increase its tax rates to secure additional funding if needed.

levies and the maximum rates it could charge, along with comparisons of state average rates.

Figure 1.3 WSD Tax Rates Are Much Lower Than the Maximum Allowable Rates. The three rates that can be charged by WSD are about one-third of the maximum allowable rates and are less than state averages.

Levy	WSD Current Rate	Maximum Allowable Rate	Percent of Maximum	State Average Rate	WSD as Percent of State Average
Board Local Levy	.0831%	.25%	33%	.1696%	49%
Voted Local Levy	.0748%	.2%	37%	.1244%	74%
Capital Local Levy	.0917%	.3%	31%	.1192%	63%

Source: Utah State Tax Commission

WSD has managed to operate without increasing its tax burden for five years. However, should the district need additional revenues in the future, the board has the ability to increase the rates shown in Figure 1.3.

WSD Has Focused on Instructional Spending

As its revenue has grown over the past five years, the district has designated the greater part of these funds toward instruction (i.e. spending that goes directly into the classroom). However, we found that WSD reported spending significantly less than its peers in both instruction support and in facilities construction and debt services. WSD’s lower levels of spending in these areas can be attributed, in part, to older school buildings and differences in financial coding practices.

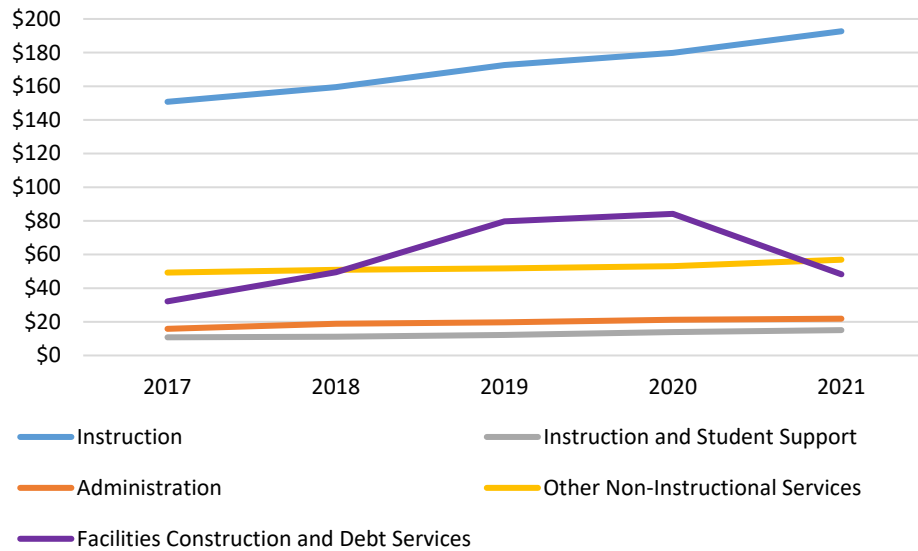
WSD reported spending significantly less in instruction support and in facilities construction and debt services.

Instruction and facilities construction and debt services saw the greatest increases in expenditures over the last five years.

Increases to WSD Expenditures Were Driven by Instruction and Construction Costs

WSD’s rise in expenditures has varied by function. Overall, WSD saw a 29 percent increase in expenditures, growing from \$259 million to \$335 million between fiscal years 2017 and 2021. This was due in large part to WSD hiring of 127 new educators and increasing starting teacher annual salaries by \$7,000. Figure 1.4 shows WSD’s expenditures, by function, over the past five years. The two most noticeable increases are in instructional spending and in facilities construction and debt services, which account for \$58 million of the increase in expenditures from fiscal year 2017 to 2021. Instruction made up 54 percent of total district expenditures from fiscal years 2017 through 2021. It also saw the greatest increase, growing by \$42 million over that five-year period. Spending for facilities construction and debt services also saw a large increase through 2020, followed by a decline in 2021.

Figure 1.4 WSD’s Expenditures in Instruction and Facilities Construction Have Grown Significantly Since Fiscal Year 2017. The completion of construction projects from calendar years 2018-2020 resulted in decreased expenditures in facilities construction and debt services in fiscal year 2021. Figure is displayed in millions of dollars.



Source: Utah State Board of Education*
 The Utah State Board of Education has Facilities Construction, Debt Services, Instruction Support, and Student Support broken out separately.

The completion of multiple new buildings and additions caused the fluctuation in spending for facilities construction and debt services. These projects were completed between calendar years 2018 and 2020, resulting in decreased expenditures in fiscal year 2021, as shown in Figure 1.4.

Compared with Peer Districts, WSD Reports Similar Instruction Costs but Lower Spending in Other Areas

WSD has historically focused on spending in instructional areas while keeping other expenditures low. Over the last five years, WSD spent an average of \$1,170 less annually per pupil in total expenditures compared to their peers.³ Despite lower per-pupil spending, WSD has still managed to maintain a comparable cost of instruction per student. This has allowed WSD to maintain a slightly lower pupil-to-teacher ratio than its peers.

However, we found areas where WSD spent significantly less than its peer districts. The two most noticeable differences are in facilities construction and debt services and instruction support.

Expenditures related to facilities construction and debt services often vary by district across time. As suggested by Figure 1.4, costs can fluctuate depending on the number of projects being constructed. From fiscal years 2017-2021, WSD on average spent \$937 less per pupil in this area than its peers reported. This accounts for much of the difference between WSD and its peer group in total per pupil expenditures on an annual basis. WSD's lower relative spending in facilities construction and debt services was still present despite numerous WSD construction projects during this time frame.

We found that WSD's school buildings are, on average, eight years older than its peer districts' buildings. This suggests that WSD is slower to replace its aging schools and would therefore incur fewer per-pupil costs related to construction. The contrast between the age of WSD's schools and those of its peers helps to account for the lower expenditures in facilities construction and debt services. However, voters in Weber School District recently approved a bond for the construction of three new schools and the reconstruction of an old

³ Peer average calculations include WSD's expenditures, making it a peer group average.

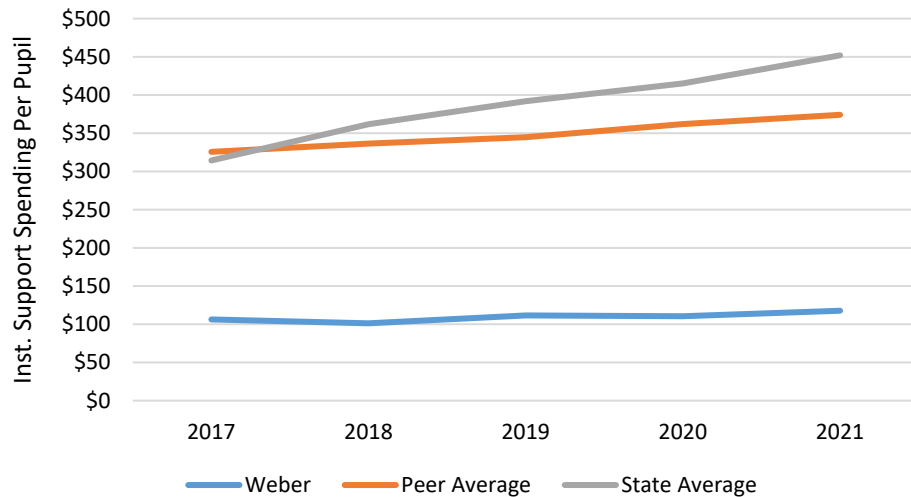
Compared to its peers, WSD spent less on overall expenditures over five years while maintaining a comparable cost of instruction per student.

WSD spent less on average in facilities construction and debt services than its peers.

one. This will cause WSD expenditures in this area to again rise temporarily.

Instruction support differs from instructional spending, as it makes up support groups that are not directly involved in providing instruction to students. The Utah State Board of Education (USBE) Chart of Accounts lists the following examples of instruction support: “Improvement of Instruction Services; Instruction and Curriculum Development Services; Instruction Staff Training; Library/Media Services; Instruction Related Technology; Academic Student Assessment.” Figure 1.5 compares per-pupil spending in these areas for WSD, peer districts, and the state, with WSD reporting an average of \$240 less spending per pupil than what is seen in peer districts. This equates to WSD spending an average of about \$8 million less each year than its peers did for the past five years.

Figure 1.5 WSD’s Per-Pupil Expenditures for Instruction Support Are a Fraction of State and Peer Averages. WSD reported an average of \$240 less spending on instruction support than its peers and \$278 less than the state average.



Source: USBE

While WSD strives to maintain low administrative costs, the differences shown in Figure 1.5 are probably due, in part, to the way that WSD codes its instruction support expenditures, which is likely different from what is specified in USBE’s Chart of Accounts. WSD reported that they likely code some instruction support expenditures in

WSD appears to have spent less in instruction support likely due in part to differences in coding.

instruction. Examples include expenditures for teacher mentors, the curriculum department, the assessment department, and instruction professional development. Additionally, we were told that WSD codes instruction-related technology in the central services function instead of instruction support. These coding practices would result in lower reported expenditures in instruction support and higher reported expenditures in instruction.

USB E's finance department does not actively enforce uniformity in school district reporting at this level of financial data. As a result, while WSD's peer districts seem to have coded several of these costs appropriately, differing interpretations appear to create inconsistency and uncertainty regarding several of these categories. A future audit released by our office will address inconsistencies in how LEAs are coding expenditures.

Audit Scope and Objectives

This audit was prioritized in accordance with *Utah Code* 36-12-15.1, which authorizes in-depth budget reviews of state entities and LEAs, as prioritized by the Legislative Audit Subcommittee. The objective of this audit is to assess WSD's efficiency and effectiveness. Based on issues identified in our initial risk assessment and during the course of the in-depth budget review, the scope of the remaining chapters is as follows:

- **Chapter II** discusses WSD's strategic plan and student academic performance.
- **Chapter III** discusses WSD's internal controls for grant management and the forfeiture of grant funds.
- **Chapter IV** examines WSD's operational areas as compared to peer districts and best practices.

USB E does not actively enforce how LEAs adhere to function descriptions in its Chart of Accounts, which results in differing interpretations among LEAs.

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Chapter II

Weber School District's Strategic Plan Could Be Updated to Target District Priorities

We believe the Weber School District (WSD, or district) has an opportunity to build on past success of strategically targeting areas for student growth and improvement. Our audit work focused on providing the school district with meaningful and insightful areas for improvement. In our review, we found an example of the district implementing a strategic plan to drive performance improvement at Roy High School. This plan, called the Roy Cone Project, was successful at greatly improving graduation rates through effective planning and additional funding. We believe there are opportunities to apply principles from this project more broadly in the district. Specifically, there are opportunities to update and implement a new strategic plan that could further improve student performance districtwide.

WSD's strategic plan is ten years old and is lacking some of the best practices that, as shown in the Roy Cone Project, can lead to organizational improvement. A key to organizational improvement over time is implementing a system that targets specific outcomes that are tied to an organization's mission and purpose. We recommend that WSD review and update its current strategic plan to focus district priorities on measurable outcomes that can further improve student proficiency.

Weber School District Can Improve Its Strategic Plan

WSD reports their strategic plan has been in place for about ten years, and we believe it should be reviewed and revised to ensure it aligns with current district priorities, practices, and goals. Further, with the current superintendent retiring in 2022, it is a good time to review and assess goals that new leadership might have. Best practices provide guidance on how to implement an effective strategic plan to improve performance over time. We believe there is an opportunity to

The Roy Cone Project provides an example of implementing a strategic plan to improve student performance.

WSD's strategic plan has been in place for about ten years and should be updated to align with current district priorities, practices, and goals.

Outside organizations and peer districts have identified best practices in strategic plans which can provide guidance to WSD.

GPRA requires federal agencies to develop five-year strategic plans that focus on measurable goals and objectives.

update WSD’s strategic plan to include performance management metrics that can help boost student academic achievement.

Best Practices Provide Requirements for Effective Strategic Plans and Performance Management

Various organizations have identified best practices that are common in effective strategic plans. Best practices also provide guidance on how strategic plans can be effectively implemented. We found that WSD’s peer school districts⁴ are trying to follow these principles.

Strategic Plan Best Practices Focus on Improving Performance and Accountability. Multiple entities that publish best practices for managing organizations agree on key steps to improve organizational outcomes.

The Government Performance and Results Act (GPRA)⁵ requires federal agencies to implement certain practices to improve program management and outcomes. It requires each federal agency to develop a five-year strategic plan, updated regularly with input from stakeholders, that contains the following elements:

- A comprehensive agency mission statement
- Agency-wide long-term goals and objectives for all major functions and operations
- Approaches (or strategies) to achieve the goals and objectives and the various resources needed
- A clearly articulated relationship between the long-term goals/objectives and the annual performance goals

Taken together, these requirements create a framework for federal agencies to plan, measure performance, and evaluate how to improve operations over time.

⁴ Based on enrollment, WSD’s peer districts are Washington County, Canyons, and Nebo.

⁵ This act became law in 1993. It was updated in 2010 and renamed the 2010 Government Performance Results Modernization Act.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) in Florida developed a similar list of best practices geared specifically toward public education.⁶ These best practices are based on findings from other states and the “Government Auditing Standards” of the Government Accountability Office. According to OPPAGA, a school district’s strategic plan should clearly state:

- The district’s goals, and objectives and strategies for achieving them
- The priorities the [school] board assigns to its goals, objectives, and strategies
- The strategies the district intends to employ to reach desired objectives
- The performance measures and standards the district will use to judge its progress toward meeting its goals.

According to OPPAGA, school boards should also review their strategic plans annually and assess progress in achieving objectives.

Our office concurs with these best practices. In the *Best Practices for Good Management* manual published by the Office of the Legislative Auditor General, we state that organizations should:

Develop a strategic plan that includes long-term goals, refining them as needed. This should be a specific, quantifiable action plan driven by the [organization]’s objectives. The strategic plan is an evolving document and is regularly being updated.

Additionally, our office released an audit in October 2021, *A Performance Audit of Social Service Agencies’ Performance Measures*, which stated, “[Q]uality performance measures generate improvements that accomplish goals and objectives” and stressed the need for meaningful targets and specific plans of improvement. These concepts closely align with best practices of the federal government and OPPAGA. Collectively, these best

⁶ These best practices were developed as part of OPPAGA’s “Sharpening the Pencil” school district evaluation program.

OPPAGA developed a list of best practices that focus on strategic plans in public education.

Focusing on quality performance measures can drive improvements that help organizations accomplish their goals and objectives.

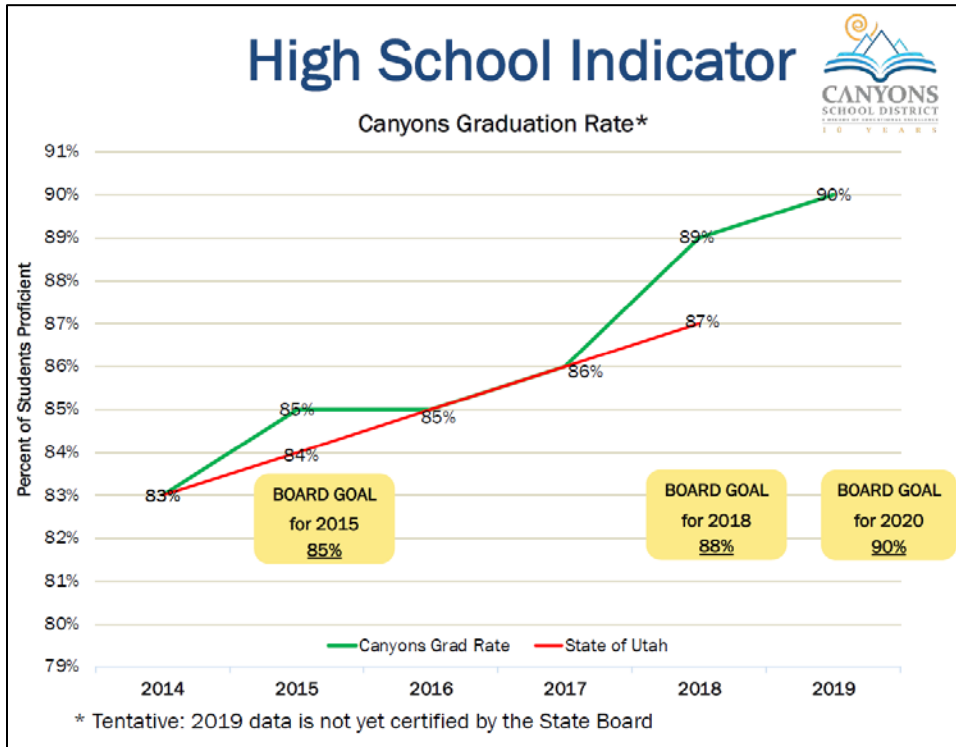
practices envision a strategic plan that is actionable, capable of guiding decision-making, regularly reviewed and updated, and used for evaluating program performance.

Peer Districts Appear to Follow Performance Management Best Practices. During the course of our audit, we reviewed the strategic plans and board minutes of peer school districts and talked to their superintendents. We found that districts had implemented some of the best practices discussed previously.

Washington County School District (Washington), Canyons School District (Canyons), and Nebo School District (Nebo) have similar student enrollment to that of WSD. Each of these districts incorporates several of the previously discussed best practices. For example, Nebo and Washington both report revising their strategic plans approximately every five years. Furthermore, all three peer districts prioritize student performance and accountability by reporting student performance metrics in relation to performance targets to their boards. For example, Canyons compares student outcomes against performance targets set by their school board and presents this annually to the school board. Figure 2.1 shows graduation data presented by Canyons' administration to its board in November 2019.

Peer school districts are focusing their efforts on student performance and accountability for their goals and objectives.

Figure 2.1 Canyons School District Reports to Its Board on Graduation Rates Compared Against Performance Targets. Canyons presents this type of comparison annually for many performance metrics.



Source: Canyons School District Annual Review of Indicators, November 12, 2019

The Canyons board establishes goals for graduation rates. These goals change over time and are used by the district for comparison against actual graduation rates.

Among WSD’s peer districts, performance metrics are also used in superintendent evaluations, reinforcing the role the metrics play in holding districts accountable and encouraging continuous improvement.

WSD Can Strengthen Its Strategic Plan Through Updates and By Setting Specific Goals

We believe there are opportunities for WSD to review its strategic plan and incorporate new elements into an updated plan that more closely aligns with best practices, district priorities, and growth areas. One opportunity, discussed later in this chapter, is for WSD to

In WSD’s peer districts, performance metrics are used in superintendent evaluations to promote accountability and continuous improvement.

increase accountability and focus its goals and strategies on student proficiency scores.

WSD’s Strategic Plan Was Last Updated in 2012. The most recent update to the plan occurred between 2011 and 2012. We cannot find evidence that the WSD board revisits the strategic plan annually to assess progress and achievement of goals. Best practices suggest the need for regular review by the board, which can improve accountability to the public.

An example that illustrates the need for an updated strategic plan is seen in the district’s philosophy of administrative leanness and its “whole child” approach to education. Both of these are worthwhile pursuits. While the district’s vision mentions “whole child” concepts, neither it nor administrative leanness are clearly articulated in the goals of the district’s strategic plan. Neither has the district identified quantifiable ways of measuring progress in achieving these objectives. It is important for the board and district to publicly align priorities in a strategic plan. However, this does not appear to be happening, perhaps due to infrequent review of the plan. The absence of key priorities and measurable goals in the district’s strategic plan also makes the plan less useful to staff and administration.

WSD can improve how it assesses progress toward achieving its goals. Our review of two years of board meeting minutes reveals that the WSD board does not reference specific district goals or the district’s strategic plan during board meetings. Individual district departments, such as career and technical education and support services, make presentations to the board. However, these presentations do not appear to directly relate to specific district goals, nor do they compare actual performance against performance targets. Understandably, not every report to the board needs to reference goals, but we believe there are opportunities to bolster this type of reporting to improve awareness and accountability.

Specific Goals and Objectives Can Improve WSD’s Strategic Plan. The current plan primarily focuses on meaningful goals that are not easily assessed. Adding actionable goals and metrics will allow for status updates and tracking of the district’s strategic plan. Performance metrics help focus district efforts and funding toward outcomes that align with board priorities.

WSD’s priorities are not always clearly articulated in its mission, vision, and goals.

WSD does not reference specific district goals or the strategic plan in board meetings.

WSD's strategic plan includes the district's mission, vision, and goals. The goals tend to be high-level statements about what the district wants to accomplish. Some examples include:

- We will have a continuous process aimed at organizing best education practices to meet individual student learning needs.
- We will continue to improve the design and delivery of instruction.
- We will have students apply knowledge and processes acquired through the study of the arts, sciences, social studies, and applied technology.
- We will develop an individual education for every student.

These goals all relate to the district's purpose of educating students and are worthwhile endeavors. It is unclear, however, how the district translates these goals into actions. Furthermore, it is difficult to assess whether these goals are being accomplished. If the district were to review its strategic plan and decide to continue focusing on these goals, accompanying objectives and metrics would need to be added to help with tracking and accountability.

To understand the full scope of WSD's strategic plan, we requested individual program leaders in the district to provide strategic plans, goals, and objectives for their specific areas. Special education was the only program in the district that has objectives, performance targets, and metrics in a clearly stated plan. However, this information is of limited value because it is not published or reported to the board. Some district programs present performance metrics to the board (e.g., changes to student enrollment), but these metrics do not appear to be tied to performance targets or stated board expectations. If the board had access to specific metrics, it could compare actual performance against performance targets.

Better Strategic Planning Could Improve Student Proficiency

Weber School District has had success in improving graduation rates over the tenure of the current superintendent. One primary factor for this success is the significant increase in graduation rates at

WSD's current strategic plan focuses on high-level goals with no quantifiable performance metrics.

Special education was the only program that had objectives, performance targets, and metrics in a clearly stated plan.

Targeting low student proficiency rates in the strategic plan may help to improve academic performance.

Roy High School. WSD had a clear, actionable plan to achieve this increase. This effort also received critical funding from the Legislature and a private donor (as discussed later in the chapter). These outcomes illustrate the advantage of a clear plan. We believe WSD can further benefit from such a targeted plan by focusing on student proficiency rates throughout the district. Proficiency rates are an important measure of student success and are reported by the Utah State Board of Education to the Utah State Legislature. While state averages in English, math, and science range from 46 to 51 percent in fiscal year 2019, the statewide goals are in the mid-60s. WSD proficiency rates have hovered around 40 percent in recent years.

Based on our analysis, WSD student proficiency appears to be lower than expected, given the district's characteristics. We believe an updated strategic plan that focuses on proficiency rates could benefit WSD, similar to how the Roy Cone Project benefited graduation rates.

Opportunities Exist to Improve Proficiency Rates in WSD

WSD proficiency is below other districts with similar characteristics. Overall, we found that WSD, has the eighth lowest English and math proficiency out of 38 districts analyzed.⁷ Given WSD student and district characteristics, we would expect the district to have higher proficiency score closer to like districts. To further explore WSD proficiency, we conducted a multifactor regression analysis to determine if WSD is performing as expected, based on proficiency rates. The purpose of this analysis is not to make definitive conclusions about the educational success of students. Rather, we identify areas of opportunity where the district can seek for continual improvement and use the principles discussed in this section to set targeted and actionable goals when revising its strategic plan.

Using data from fiscal years 2015 through 2019,⁸ we estimated the impact of district characteristics on student proficiency. We took into account variables related to student demographics, such as the

⁷ Piute, Daggett, and Tintic school districts were dropped due to their small district size.

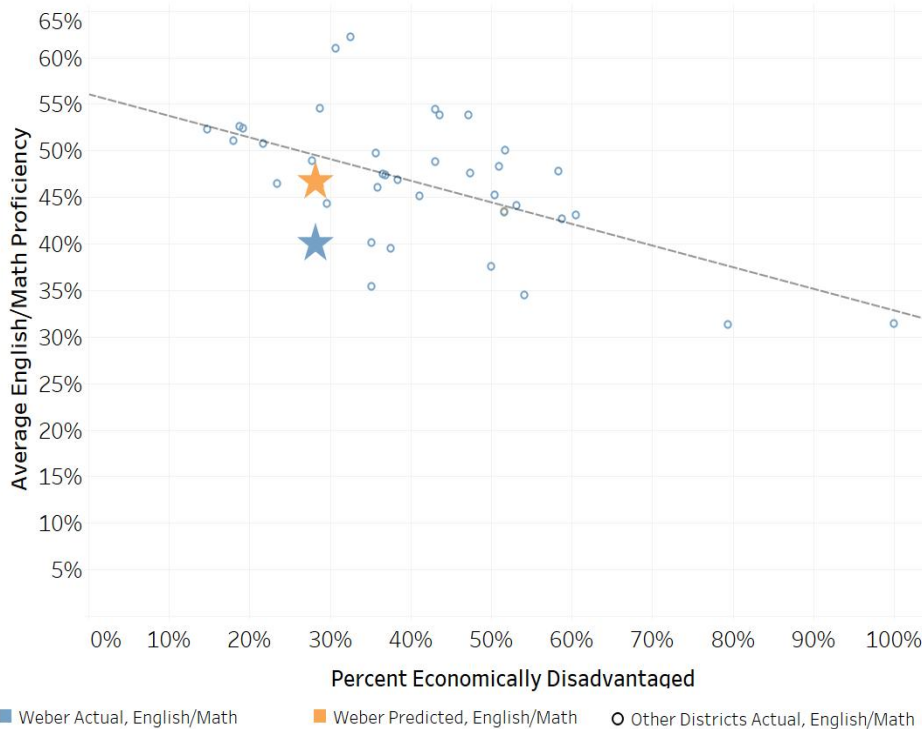
⁸ Data for 2020 is unavailable because proficiency testing was suspended that year due to COVID-19. Data for 2021 was excluded due to possible effect of the Covid-19 pandemic.

We conducted a multifactor regression analysis to determine if WSD was performing as expected.

percentage of students who are economically disadvantaged, as well as variables related to school funding. While several factors went into our analysis, Figure 2.2 highlights the percentage of students who are economically disadvantaged. This metric is strongly correlated with proficiency rates and, like other socioeconomic factors, is nationally recognized⁹ as a significant factor in student performance and proficiency. The other marks on the graph represent actual average proficiency scores for all other districts in the state for 2019. The dashed line in Figure 2.2 is the average relationship between percent economically disadvantaged and student proficiency for school districts in the state.

The percentage of students that are economically disadvantaged is strongly correlated to proficiency rates.

Figure 2.2 Actual Student Proficiency in Weber School District Was Below Expected Proficiency for School Year 2019. Estimates take into account district characteristics. This figure highlights the variable of percent of student economically disadvantaged because of its impact on student proficiency.



When controlling for several district characteristics, our model predicts a WSD proficiency score seven points higher than its actual score.

Taking multiple factors into account, it appears there are opportunities for WSD students to improve their proficiency. Figure

⁹ Social economic factors such as income have been found to have a negative relationship with student achievement.

The WSD board does not appear to be addressing lower-than-expected proficiency rates.

The Roy Cone Project shows how an effective strategic plan can help improve student performance in Weber School District.

2.2 shows that WSD (blue star) performs lower than districts with similar percent of students economically disadvantaged. When controlling for several additional district characteristics, our model predicts a WSD average math and English proficiency score (orange star) nearly seven percentage points higher than its actual score, more in line with similar districts. The data in Figure 2.2 are consistent with the views of WSD’s assessment director, who stated the district’s level of student proficiency is below where it should be, given the district’s demographics.

The WSD board does not appear to be addressing lower-than-expected proficiency rates. Student proficiency goals are not discussed at board meetings, neither is it a primary consideration when evaluating the district superintendent on a biannual basis. With the exception of special education, WSD also does not have clearly stated district or department objectives related to student proficiency, as seen in Canyons. A strategic plan that targets proficiency and clearly prioritizes student achievement could help improve performance. As discussed in the next section, WSD has experience in developing and implementing a strategic plan that effectively targets student performance.

Roy Cone Project Demonstrates the Connection Between Strategic Plan and Program Success

Previous WSD efforts demonstrate the value of an effective strategic plan and the district’s ability to target student performance. We believe that WSD should apply the lessons learned from this project to the district as a whole.

In the 2013-2014 school year, district and Roy High School administrators worked with a private donor to develop a comprehensive plan to improve Roy High School graduation rates. This effort, known as the Roy Cone Project,¹⁰ began with a strategic plan that contained numerous objectives and performance targets for school years 2014 through 2018. These objectives aligned with specific budget items targeting specific outcomes. Figure 2.3 shows two improvement initiatives targeted by the Roy Cone Project, the

¹⁰ The Roy Cone refers to Roy High School and the ten elementary and secondary schools that feed into it.

strategic outcome of these metrics after the first year, and how funding was designated to achieve these goals.

Figure 2.3 The Roy Cone Project Identified Important Metrics, Set Goals, and Based Its Budget on These Goals. This process aligns with best practices for organizational improvement.

Improvement Initiative	Strategic Outcome:	Budget Amount Spent:
<p>Graduation rates: Bring approximately 100 students, grades 9 through 12, online for graduation</p>	<p>Graduation percentage increased 6.7% from the previous 5-year cohort average. There was a 95% graduation rate for full-year enrolled RHS seniors in 2015. The cohort percentage will be determined Fall, 2015.</p>	<p>\$46,000 2 full-time Student Advocates at secondary schools</p>
<p>Drop-out rates / Chronic absenteeism Address and reduce chronic absenteeism in students absent 10% or more per year.</p>	<p>Reduced chronic absenteeism (18 days or more per year) from 29% to 13.7% . 130+ home visits to high-risk student homes were made by student advocates, administrators, counselors and School Resource officers.</p>	

Source: WSD

Funding for the Roy Cone Project primarily came from a private donor and the Utah State Legislature, totaling approximately \$500,000. Much of this funding was used for hiring student advocates and counselors, as well as paying for student credit recovery and testing resources.

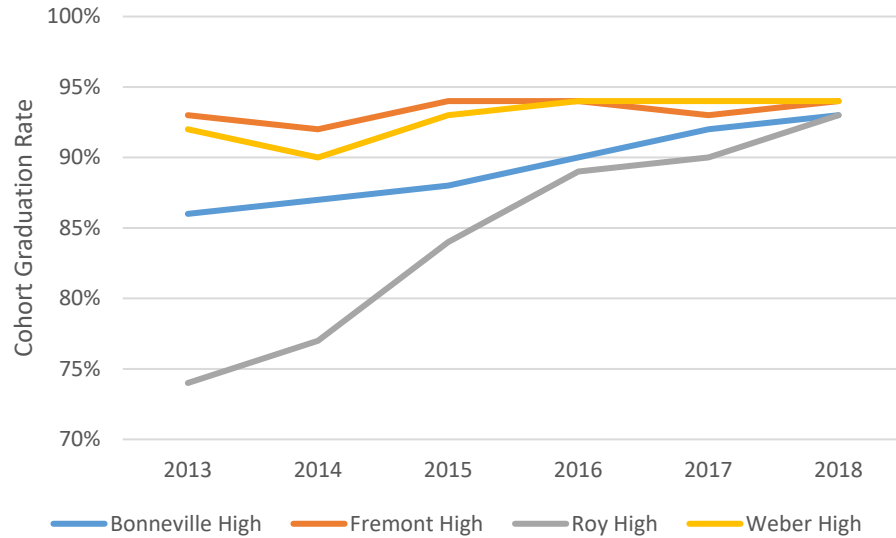
Over the course of the Roy Cone Project, graduation rates¹¹ at Roy High School increased from 74 percent to 93 percent between school years 2013 and 2018. During this time period, Roy High School graduation rates caught up with graduation rates at the three other high schools in the district.¹² Figure 2.4 shows graduation rate trends for all four main high schools in WSD during the Roy Cone Project.

Under the Roy Cone Project, graduation rates at Roy High School increased from 74 percent to 93 percent between 2013 and 2018.

¹¹ This refers to the cohort graduation rate, which measures the percentage of students in a given class who graduate (adjusting for students moving in and out of the district).

¹² WSD has a total of seven high schools. In addition to those shown in Figure 2.4, WSD high schools include Two Rivers High School (an alternative high school), Weber Innovation High School (which focuses on college and career readiness), and Canyon View School (for special education students of all grades).

Figure 2.4 Graduation Rates at Roy High School Improved Significantly During the Roy Cone Project. Roy High School's graduation rate increased by 19 percentage points after the district focused its efforts on improving graduation rates.



Roy High School had a 74 percent graduation rate in 2013 which improved to 93 percent in 2018. This amounts to a 19-percentage point improvement over the course of five years.

We believe the Roy Cone Project provides a template for WSD to improve its district-level strategic plan. Using a strategic plan that follows best practices, like that of the Roy Cone Project, could boost WSD student performance by ensuring that performance is measured and reported and that funding is tied to district objectives.

WSD's superintendent reported that in addition to having targeted and actionable metrics, funding was essential to the success of the Roy Cone project. We acknowledge that increased funding could be beneficial to these efforts, but we also believe setting quantifiable goals and focusing efforts and accountability on proficiency can lead to improved results. WSD administrators believe that additional personnel to help teachers address growth areas, along with an increased focus on proficiency, could have a positive impact on student outcomes. Should more funding be necessary, the district has the ability to generate additional revenue.

As discussed in Chapter I, one option to increase funding would be to utilize statutory authority to increase the district property tax rate.

The Roy Cone Project provides a template for the district to improve the district-level strategic plan.

Increasing WSD's rate from its current .55 percent to the state average of .67 percent would result in \$18.5 million of additional tax revenue. Based on the outcomes WSD achieved in the Roy Cone Project for \$500,000, we believe that a modest tax rate increase could be a means to fund necessary positions and programs.

We are not advocating for the district to increase taxes. That is a policy decision for the board to determine. Rather, we are acknowledging that the board has the ability to raise funds if it deems that doing so is appropriate. We also recognize that significant efforts to increase student proficiency may require additional expenditures. We encourage WSD to assess the willingness of the community to accept a tax increase for strategic purposes to improve student performance, if other revenue sources are not available and the costs cannot be absorbed.

Recommendations

1. We recommend that the Weber School District review and update its strategic plan to align with district and board priorities.
2. We recommend that the Weber School District identify ways to focus its priorities on measurable outcomes, especially those that focus on improving student proficiency.
3. We recommend that the Weber School District's strategic plan include objectives that are measurable and can be evaluated for achievement.
4. We recommend that the Weber School District regularly assess how its strategic plan objectives are being achieved and report progress in board meetings.

A modest tax increase could be a means of raising additional revenue if needed to address student proficiency.

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Chapter III

WSD Can Bolster Its Controls and Oversight Over Grant Management

We found that the Career and Technical Education (CTE) and finance departments of the Weber School District (WSD, or district) can improve several areas of their grants management process. The improvements we identified have also been identified by the Utah State Board of Education (USBE). As a result, USBE has classified WSD as “high risk” with regard to its CTE grants management process. The following bullets summarize concerns about the district’s grants management process.

- A request for reimbursement exceeded actual expenditures.
- An approved budget did not include all intended costs and was not properly entered into the grant management system.
- Expenditure reimbursement requests were submitted after the deadline.
- Expenditures were not properly coded to grants.
- Reimbursement requests were submitted infrequently, contrary to best practices.

WSD will receive over \$14 million in grants in fiscal year 2022. To ensure the safeguarding of these funds, we recommend that WSD implement required policies, adopt best practices, and evaluate the adequacy of existing internal controls. We believe these steps will provide additional assurance that WSD grant funding will not be jeopardized in the future. Our review focused solely on three CTE grants; we did not review other district grants.

Requirements and Best Practices Provide Guidance for Grant Management

Along with the grant award letter and grant application, grants may be governed by a combination of state-level rules and federal law. USBE also encourages local education agencies (LEAs) to follow established best practices. All three grants reviewed in this chapter involve USBE reimbursing WSD for expenditures made.

WSD’s CTE program was recently classified by USBE as “high risk” due to concerns about its grants management process.

WSD should implement required policies, adopt best practices, and evaluate its internal controls to reduce risks associated with its grant management practices.

Three CTE grants we reviewed violated grant requirements.

Grant requirements are specific to individual grants. The three CTE grants we reviewed include the following requirements, all of which were violated by at least one grant:

- Reimbursable expenditures cannot be for explicitly nonallowable costs.
- Reimbursable expenditures must align with a submitted budget, a submitted plan, and the purpose of the grant.
- Reimbursement requests must be made before the deadline at the end of the grant award period.
- Reimbursement requests must occur after expenditures are made.

These types of requirements appear to be typical of grants that involve reimbursements. However, individual grants may have additional requirements set forth in the grant application or award letter.

Beyond these compliance requirements, USBE also encourages LEAs to follow best practices for grant management. These include using correct program coding and making reimbursement requests at least quarterly. Program coding helps track grant expenditures relative to grant budgets. Frequent reimbursement requests, in contrast to a single end-of-year request, allow USBE to provide LEAs feedback on reimbursement documentation and the allowability of costs. These best practices help LEAs manage grants effectively and prevent errors such as those experienced by WSD, as discussed in the next section.

Following best practices for grant management could help to prevent errors.

WSD Did Not Follow Grant Requirements or Best Practices for Three CTE Grants

WSD did not properly manage three CTE grants in fiscal year 2021, which caused WSD to forfeit \$15,500 of \$360,500 in grant awards. While the fiscal loss from these grants was about 4 percent, we believe there are opportunities to fine-tune and improve oversight to avoid future losses. For example, the district did not follow grant requirements and best practices to safeguard district funds. While we recognize that many individuals are involved in managing grants, the CTE director and the district business administrator should ensure proper grant budgeting, reimbursement requests, and monitoring.

In the first grant we reviewed, more than one-third of expenditures were improperly coded, and a reimbursement request included nonallowable costs. The individual most knowledgeable about allowable costs on the grant, the CTE director, approved this reimbursement request, as did the district business administrator. This grant's initial reimbursement request, which was rejected by USBE, also asked for over \$29,000 in excess of documented grant expenditures at the time. WSD eventually received the full award amount. The final reimbursement request for the grant occurred more than three months after the award period ended, outside the deadline established by USBE.

In the second grant we reviewed, 100 percent of their expenditures were improperly coded. According to USBE, WSD staff also did not adequately monitor the grant and, as a result, were unable to amend the grant budget. This directly resulted in equipment purchases that could not be reimbursed because they had not been approved and were not consistent with the original budget and application.

The third grant we reviewed included a budget that did not match the one submitted in the grant application and did not include benefits, even though salaries were part of the budget. This prevented WSD from claiming reimbursement for legitimate personnel costs. WSD likely did not spend as much as planned on the grant due to the ongoing COVID-19 pandemic. Because the grant was not adequately monitored, WSD did not submit a timely budget amendment, preventing the district from taking full advantage of the award amount.

A combination of accurate program coding, more frequent reimbursement requests, and better oversight of grant budgets and allowable costs likely would have prevented the problems observed in the three CTE grants. Coding expenditures to the correct program throughout the award period would have helped WSD monitor its grant budgets. WSD, where possible, should submit more frequent reimbursement requests instead of annual reimbursements, as seen in these three grants. This would alert WSD to deficiencies in submissions and signal that their expenditures were below budgeted amounts. This could have led to timely budget amendments and corrections to expenditure coding. Furthermore, additional oversight over allowable costs may have prevented WSD from requesting reimbursement for nonallowable costs.

Errors in the grant management process included expenditures being coded improperly and nonallowable costs.

Accurate program coding, more frequent reimbursement requests, and better budget oversight could have prevented the problems with WSD's CTE grants.

CTE Grants Reveal Internal Control Issues That Can Affect Other WSD Grants

The three CTE grants we reviewed for this audit were either new grants for fiscal year 2021 or modified grants from previous years. We did not review specific details about other grants managed by WSD. USBE stated that WSD's grant management practices on these three grants increase the risk for noncompliance. The district's lack of required policies and numerous compliance issues suggest that other WSD grants may be at risk for similar issues.

The three CTE grants we reviewed had problems with cost allowability and expenditures not being coded properly to the grants. This may be tied to WSD's lack of policies governing these principles. USBE requires LEAs to have formal policies for both of these areas. *Administrative Rule R277-113-5* states that LEA fiscal policies should include:

[A] program accounting policy that: (i) accurately reflects the use of funds for allowable costs and activities; (ii) requires that transactions be recorded when they occur ... [and] an expenditure policy, which shall address all expenditures made by the LEA and individual public schools and shall include...procedures for determining allowability of costs in accordance with relevant regulations and terms and conditions of awards.

WSD has not adopted these required policies, which impacts all grants managed by the district. WSD reported that expenditures are generally coded to the correct program or grant. However, the absence of policy, along with the numerous problems with the three CTE grants we reviewed, increases the risk that WSD may have improperly coded expenditures and requested reimbursement for nonallowable costs on other grants.

Problems with coding expenditures and cost allowability, as well as other documented problems, led USBE to designate WSD as a high-risk district for CTE grants. In USBE's opinion, WSD grant practices increase the risk for noncompliance. The high-risk designation increases the workload of WSD staff by requiring additional documentation for expenditure reimbursement. WSD should adopt cost allowability and program accounting policies as required by rule. WSD should also evaluate the adequacy of its internal controls over

USBE requires LEAs to have formal policies regarding cost allowability and the proper coding of expenditures.

The absence of required policies increases the risk for noncompliance.

grant management. The district also should ensure that extra controls are in place for new grants and grants that are modified from previous years. These changes will reduce the risk of noncompliance and will protect WSD grant funding.

Recommendations

1. We recommend that the Weber School District make grant reimbursement requests more frequently than once a year.
2. We recommend that the Weber School District adopt required policies over program accounting and cost allowability.
3. We recommend that the Weber School District evaluate the adequacy of internal controls over grant management districtwide, particularly for budgeting, reimbursement processes, and grant monitoring.

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Chapter IV

Comparing Best Practices in Key Operational Areas Can Reveal Opportunities for Improvement

The efficiency and spending of most Weber School District (WSD, or district) operational areas examined in this audit are similar to what is seen in peer districts. For example, WSD’s plant operations, pupil transportation, and child nutrition programs operate at a comparable level to that of peer districts, although WSD food costs appear to be higher. Peer districts provide WSD useful benchmarks for the district to compare against.

We also compared WSD operations against best practices, including those identified in our 2017 audit, *A Review of Best Practices for Internal Control of Limited Purposed Entities*.¹³ Abiding by these best practices could protect WSD from potential harm and increase board effectiveness. The utilization of an internal audit function, conflict of interest statements, and other internal control best practices within the local education agency (LEA) could decrease risks to WSD.

WSD’s Operational Spending Is Similar to That of Peer Districts

From a cost perspective, WSD’s plant operations, student transportation, and child nutrition programs are performing similarly to what is seen in peer districts. The district’s plant operations (which includes maintenance and custodial departments) is managing personnel efficiently but has difficulties completing work orders in a timely manner. WSD’s pupil transportation program is maintaining costs at the peer average¹⁴ while the WSD child nutrition program is spending moderately more than its peers. We recommend that WSD compare the performance of its operational areas against that of peer districts and identify areas in need of improvement.

WSD’s plant operations, pupil transportation, and child nutrition programs operate at a comparable level to that of peer districts.

WSD should compare the performance of its operational areas against peer districts and identify areas in need of improvement.

¹³ See Appendix C for a table of board best practices.

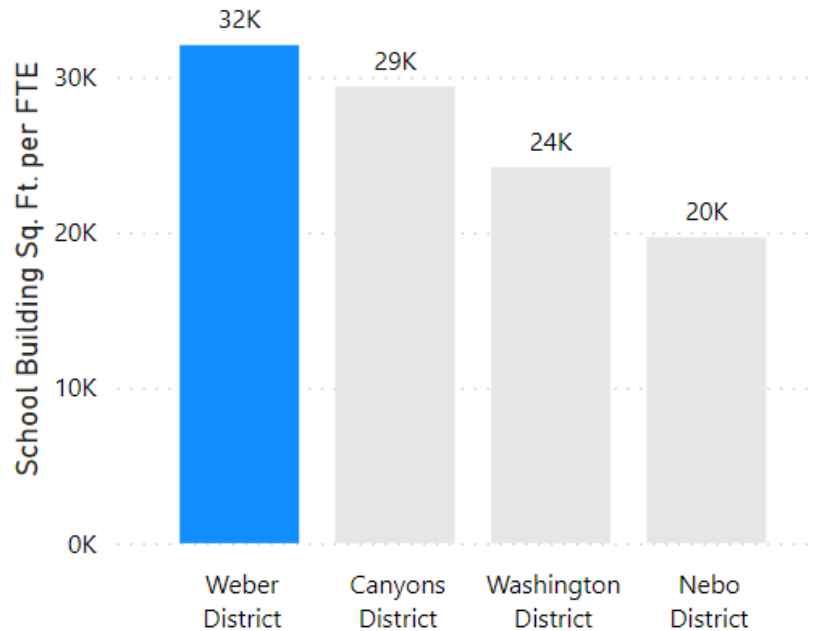
¹⁴ Peer average calculations include WSD’s expenditures, making it a peer group average.

WSD’s peer districts were chosen according to specific criteria utilized by other states. Depending on the operational area, peer districts were identified based on student enrollment, rural/urban status, and total miles driven in a district. Peer district comparisons can be useful in providing LEAs with potential benchmarks.

Plant Operations Appears to Be Using District Personnel Efficiently

Plant operations personnel are managing a larger amount of school building square footage per full time equivalent (FTE) than other districts. Work completion may be delayed because of the number of personnel and difficulties in employing maintenance specialists at this time. We recommend that WSD evaluate the benefits of expanding internal capacity for plant operations maintenance and developing a preventative maintenance plan. Figure 4.1 shows the total square footage of school buildings per FTE in plant operations. FTE data and square footage were reported by each school district.

Figure 4.1 For Plant Operations, WSD’s School Building Square Footage per FTE Is Higher than That of Peer Districts. Compared with its peers, WSD’s plant operations manages between 9 and 62 percent more square footage per employee.

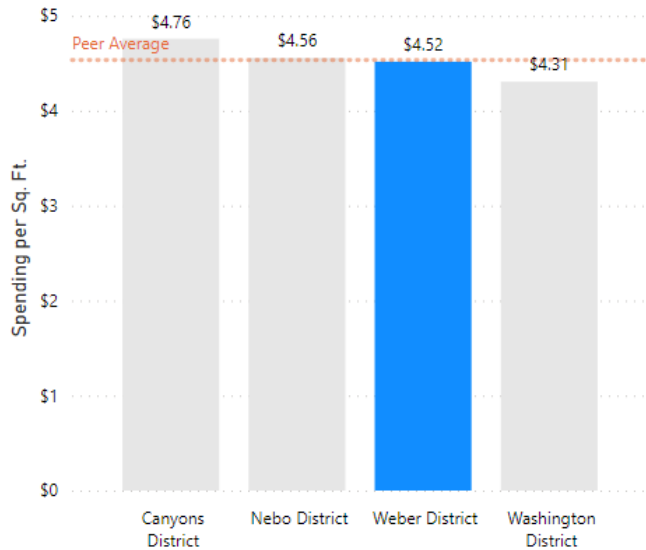


Plant operations personnel have indicated there are limitations to their department’s capabilities because of the lack of personnel. At

Work completion may be delayed because of the lack of plant operations personnel.

times the district has had to pay more to outsource projects that plant operations could not get to. Figure 4.2 shows that WSD’s fiscal year 2021 spending on a square foot basis aligns closely with that of its peers, despite having fewer WSD employees.

Figure 4.2 Plant Operations Spending per School Building Square Foot. Based on FY 2021 cost per square foot, WSD’s plant operations maintains average spending compared with that of its peers.



Despite WSD’s efficient use of personnel on a square foot basis, Figure 4.2 shows that plant operations spending per school building square foot is similar to the peer average. WSD’s average spending could indicate that its non-personnel related maintenance costs may be higher than what is seen in peer districts. WSD’s plant operations should consider a review of WSD assets (i.e., building, grounds, and equipment) to create a preventive maintenance plan and keep track of the needs and work history of all facilities.

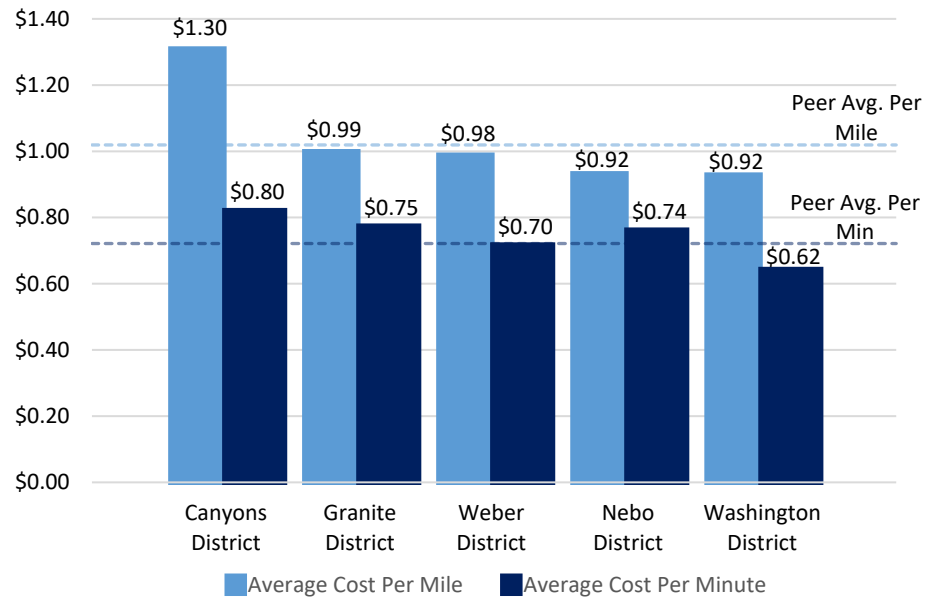
Pupil Transportation Appears to Be Managing Funds Effectively

WSD’s pupil transportation program has maintained costs that are below the peer average, both in cost per mile and minute, as shown in Figure 4.3. We believe the lower average cost per mile and average cost per minute indicate that WSD is effectively using its resources to transport students. In addition to WSD’s peer districts, Figure 4.3 includes Granite because its total miles and suburban status are

WSD’s pupil transportation program appears to be effectively using its resources.

comparable to WSD’s. Due to the COVID-19 pandemic, transportation funding for the last two years has been based on 2019 data. Therefore, we used 2019 data for our analysis of pupil transportation.

Figure 4.3 WSD’s Pupil Transportation Cost per Mile and Cost per Minute Compare Favorably. In 2019, WSD’s transportation operations performed efficiently, with below-average cost per mile and cost per minute.



While WSD’s average costs per minute and per mile are lower than peer averages, the district should compare its costs to those of other districts to ensure that reasonable cost-saving measures are in place.

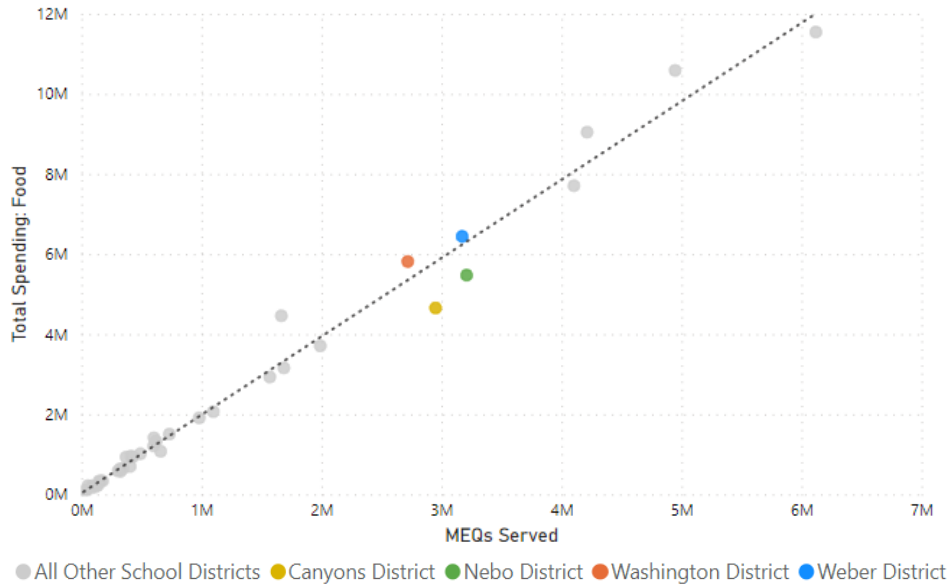
WSD’s Child Nutrition Program Is Spending Moderately More Than Its Peers

WSD’s child nutrition program has a moderately higher cost per meal equivalent (MEQ)¹⁵ for fiscal year 2021, explained in part by a higher total food cost than that of peer districts, as shown in Figure 4.4.

WSD’s child nutrition program has a higher total food cost than that of peer districts.

¹⁵ MEQ is used by other states to indicate a full meal served to one student by combining breakfast, lunch, and snack into a proportional measure.

Figure 4.4 WSD’s Food Spending per MEQ Is Higher Than That of Its Peers in Fiscal Year 2021. The district’s location (blue dot) in relation to the dotted trendline shows that WSD is spending more per MEQ than the average spending among other school districts. Based on peer averages, Weber is spending about \$746,000 more on food.



Weber spends 29 percent more on food per MEQ than Canyons School District.

WSD has the highest spending per MEQ of its peers, driven largely by higher spending on food. The district spends \$2.03 per MEQ on food, which is the highest among its peers, above the state trend, and 29 percent higher than what Canyons spends per MEQ. Weber would save approximately \$1.4 million per year on food if its spending were the same as Canyons’s \$1.58 food costs per MEQ. We recommend that WSD seek for ways to reduce their food expenditures by considering potential waste and contracting methods.

Weber would save approximately \$1.4 million per year on food if its spending were the same as Canyons’s \$1.58 food costs per MEQ.

WSD Could Reduce Internal Control Risks by Adopting Best Practices

WSD can benefit from other best practices to improve the overall internal control risks of the LEA. While we did not identify specific harm that has impacted the district, implementing best practices, including conflict of interest statements and an internal audit function, will help ensure that risks are mitigated for the district going forward.

WSD Should Require Conflict of Interest Statements for Board Members

WSD's policy and procedures does not require conflict of interest statements for its board members. While not required in statute, this is a best practice of boards to ensure full transparency of decisions. WSD's peer districts maintain conflict of interest policies or forms for their boards.

As public officers, board members should maintain high ethical standards in their work for the community. Best practices indicate that maintaining conflict of interest statements for public officers is commonplace. WSD reported that board members recuse themselves when conflicts of interest are identified. While this is a way of addressing potential conflicts, written conflict of interest statements would help ensure that such recusals are occurring when appropriate. Additionally, federal awards require LEAs to create conflict of interest statements and disclose any conflicts. WSD receives federal awards that require such policies, but the district has not established them for all employees. We recommend that WSD create conflict of interest policies and statements and maintain these records for all board members.

The WSD Board Should Review the Best Practice Checklist

WSD can benefit from reevaluating board governance. As mentioned in Chapter II of this report, WSD's strategic plan could improve by following best practices. Our office's 2017 audit, *A Review of Best Practices for Internal Control of Limited Purpose Entities*, includes a checklist of best practices for boards, which could provide guidance to WSD. The checklist, found in Appendix C of this report, includes items such as setting goals and expectations, monitoring results, and holding staff accountable. The checklist also contains best practices for internal controls and "tone at the top," which are valuable for all boards. We recommend that the board of WSD review the board governance checklist and implement any best practices that the district is lacking.

Best practices indicate that maintaining conflict of interest statements for public officers is commonplace.

The WSD board could benefit from reviewing board governance best practices.

WSD Should Consider Implementing A Robust Internal Audit Function

WSD should consider implementing a robust internal audit function to further decrease internal control risks to the district. By statute, LEAs over 10,000 students are required to “establish an internal audit program that provides internal audit services for the programs administered by the local education agency.”¹⁶ Additionally, the Utah Internal Audit Act,¹⁷ requires most executive branch agencies, the Administrative Office of the Court, higher education institutions, and the Utah State Board of Education to establish internal audit programs. While Weber does have an internal audit function that is contracted out, they have only done limited work for the district on requested areas. Several of the state’s largest LEAs—including Alpine, Davis, Granite, and Nebo—have employees filling the internal audit function within the LEA. With \$350 million in expenses, WSD is the size of some of the larger state agencies and therefore, may incur significant risk. We contacted some of Utah’s state agencies with similar budgets and they reported having between three and four FTEs in their internal audit functions, despite having overall FTE counts that are typically lower than WSD.

According to the Institute of Internal Auditors,

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

We recognize that LEAs are often required to undergo external financial audits and compliance audits. An internal audit function could be an additional resource to recommend changes and ensure that issues are identified internally and early. We recommend that WSD implement a robust internal audit function that includes a risk assessment of the district to effectively audit programs administered, as required by statute.

¹⁶ *Utah Code* 53G-7-402

¹⁷ *Utah Code* 63I-5-201

LEAs over 10,000 students and most executive branch agencies are required to establish internal audit programs.

An internal audit function could be an additional resource to mitigate risk to WSD.

Recommendations

1. We recommend that the Weber School District compare the performance of its operational areas against that of peer districts and identify areas in need of improvement.
2. We recommend that the Weber School District evaluate the benefits of expanding internal capacity for plant operations maintenance and developing a preventative maintenance plan.
3. We recommend that the Weber School District seek for ways to reduce its food expenditures by considering potential waste and contracting methods.
4. We recommend that the Weber School District create conflict of interest policies and statements and maintain these records for all board members.
5. We recommend that the Weber School District board review the board governance checklist and implement any best practices that the district is lacking.
6. We recommend that the Weber School District implement a robust internal audit function that includes a risk assessment of the district.

Appendices

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Appendix A

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Complete List of Audit Recommendations

This report made the following 13 recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 2.1

We recommend that the Weber School District review and update its strategic plan to align with district and board priorities.

Recommendation 2.2

We recommend that the Weber School District identify ways to focus its priorities on measurable outcomes, especially those that focus on improving student proficiency.

Recommendation 2.3

We recommend that the Weber School District's strategic plan include objectives that are measurable and can be evaluated for achievement.

Recommendation 2.4

We recommend that the Weber School District regularly assess how its strategic plan objectives are being achieved and report progress in board meetings.

Recommendation 3.1

We recommend that the Weber School District make grant reimbursement requests more frequently than once a year.

Recommendation 3.2

We recommend that the Weber School District adopt required policies over program accounting and cost allowability.

Recommendation 3.3

We recommend that the Weber School District evaluate the adequacy of internal controls over grant management districtwide, particularly for budgeting, reimbursement processes, and grant monitoring.

Recommendation 4.1

We recommend that the Weber School District compare the performance of its operational areas against that of peer districts and identify areas in need of improvement.

Recommendation 4.2

We recommend that the Weber School District evaluate the benefits of expanding internal capacity for plant operations maintenance and developing a preventative maintenance plan.

Recommendation 4.3

We recommend that the Weber School District seek for ways to reduce its food expenditures by considering potential waste and contracting methods.

Recommendation 4.4

We recommend that the Weber School District create conflict of interest policies and statements and maintain these records for all board members.

Recommendation 4.5

We recommend that the Weber School District board review the board governance checklist and implement any best practices that the district is lacking.

Recommendation 4.6

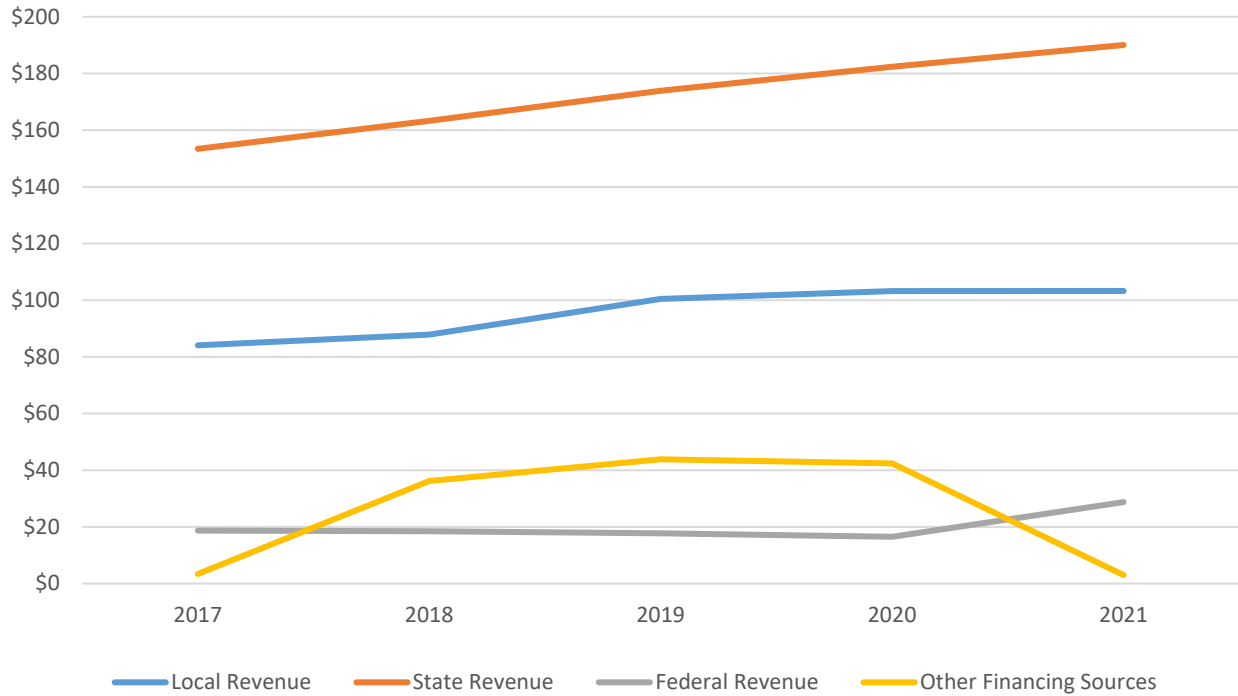
We recommend that the Weber School District implement a robust internal audit function that includes a risk assessment of the district.

Appendix B

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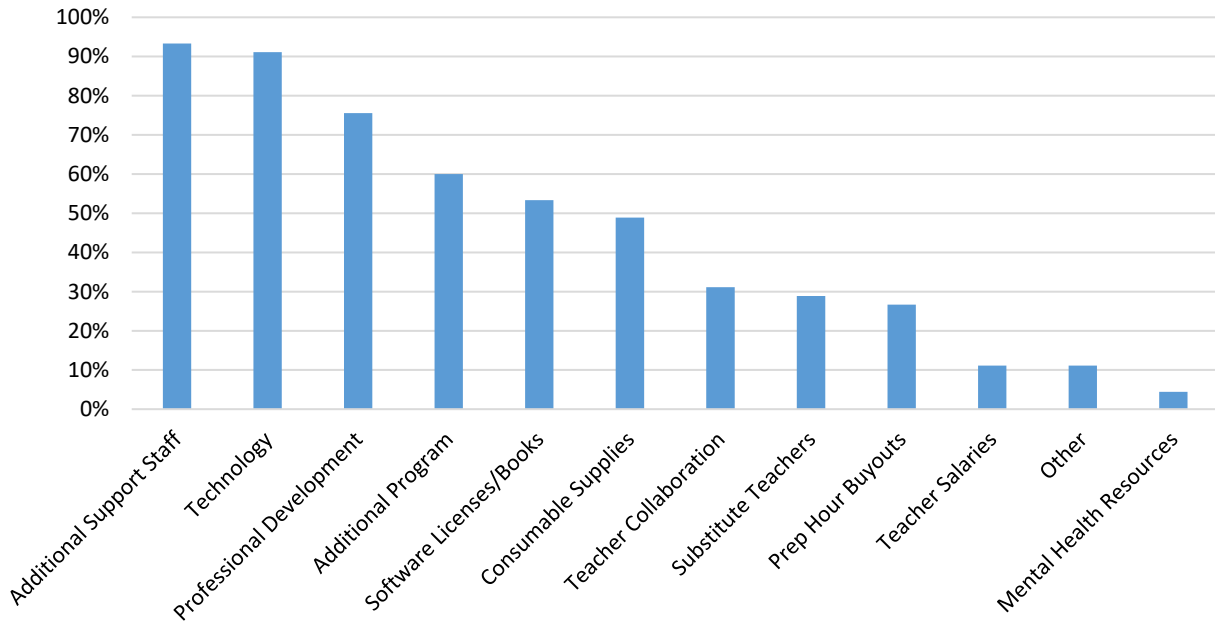
Revenue and SITLA Graphs

Local and State Revenues Have Grown Over Time. Other funding sources saw a temporary climb during years where bond proceeds were being used for the construction of school buildings. Direct federal funding saw a decrease until fiscal year 2020. Figure is displayed in millions of dollars.



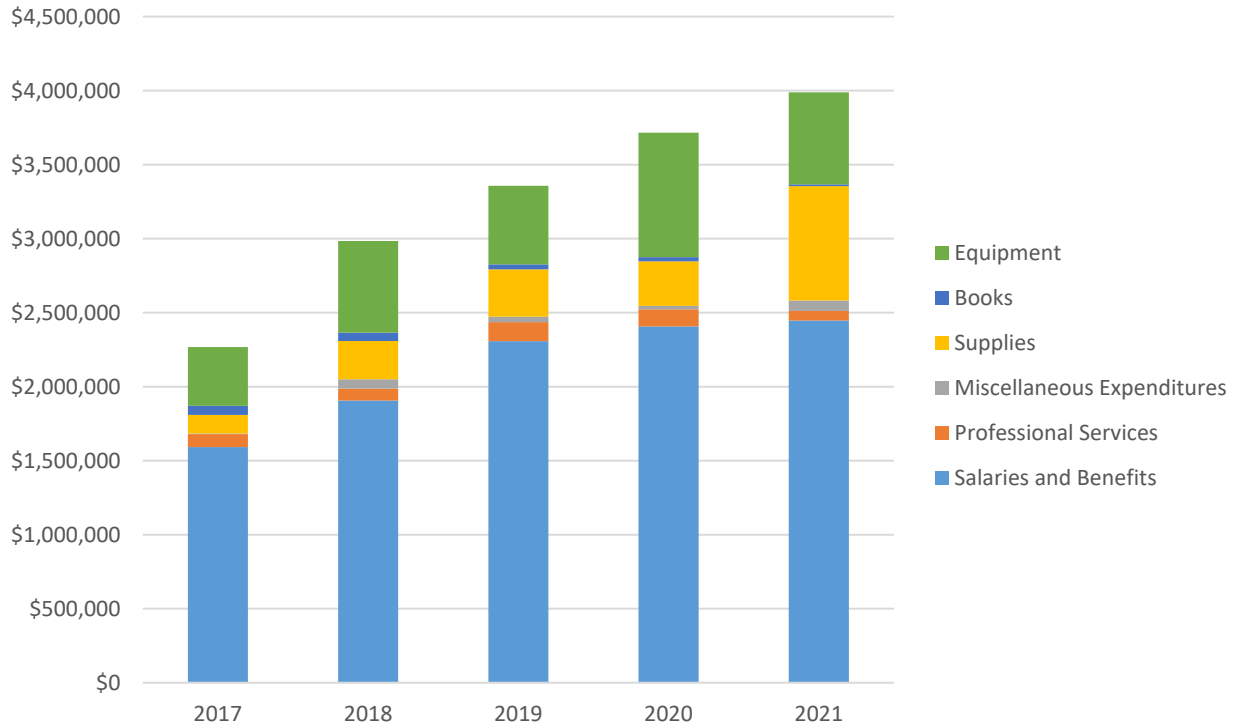
Source: Utah State Board of Education

WSD’s School SITLA 2021 Plans Focus on Technology, Personnel, and Teaching Materials. Over 90% of WSD’s 45 school plans involve additional support staff or expenditures related to technology. Over 50% of WSD’s school plans included professional development, adding an additional program to the school, or software licenses or books.



Source: Utah State Board of Education

WSD's SITLA Funding Has Grown Over Time. The amount spent on salaries and benefits has increased the most in the last five years. The amount being spent on supplies has also increased.



Source: Utah State Board of Education

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Appendix C

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Checklist of Best Practices for Board Members Of Limited Purpose Entities

Roles of Board and Staff	
1. The board takes ultimate responsibility for governance of the entity by (1) appointing an executive staff, (2) providing broad policy guidance, (3) authorizing the use of resources, (4) setting goals and expectations, and (5) monitoring results.	<input type="checkbox"/>
2. The board members recognize their role is to be more than just a ceremonial body. They have a responsibility to lead and hold staff accountable for results.	<input type="checkbox"/>
3. The board chair reviews and approves the agenda before each meeting, inviting other board members to propose additional agenda items, if desired.	<input type="checkbox"/>
4. The executive director (a) helps the board draft a set of internal control policies and (b) guides staff as they carry out the board's policies.	<input type="checkbox"/>
5. To protect against fraud, staff duties are segregated such that no one person has control over all parts of a financial transaction.	<input type="checkbox"/>
6. The board appoints a board chair, a treasurer and a clerk.	<input type="checkbox"/>
7. For organizations with an insufficient number of staff to achieve a proper separation of duties, board members serve as treasurer and clerk.	<input type="checkbox"/>
8. The board approves a staffing policy that defines the responsibilities of all those who handle different aspects of the entity's finances.	<input type="checkbox"/>
9. The board is solely responsible for hiring and directing the audit function.	<input type="checkbox"/>

Internal Controls	
10. The board approves policies that govern the organization and addresses each best practice described in the best practice audit. This would include policies such as a personnel policy, a procurement policy, and records retention policy. A procurement policy is of particular importance with the recent instances of fraud, waste, and abuse that have occurred.	<input type="checkbox"/>
11. The board regularly reviews a report of entity disbursements. The report includes the date, vendor and amount of each expense since the last board meeting.	<input type="checkbox"/>
12. To control credit purchases, purchase cards (or "p-cards") are issued to a limited number of staff. Limits are placed on the dollar amount, type and number of charges made to each card.	<input type="checkbox"/>
13. An independent person with no book keeping responsibilities is assigned to reconcile the bank statement each month with that month's receipts and expenses.	<input type="checkbox"/>
14. The board requires its formal approval of any expenditure above a certain dollar amount.	<input type="checkbox"/>

15. The board requires that two people sign all local entity checks. Before signing, both signers will review and approve the attached requisition sheet.	<input type="checkbox"/>
16. The board verifies that the entity has complied with applicable state laws including: certification and filing of annual budget (Utah Code 14B-1-614), notice of public meetings (Utah Code 52-4), notice of board member contact information (Utah Code 17B-1-303), participation in Utah public finance website (Utah Code 63A-3-405.4), and financial statement reporting requirements (Utah Code 51-2a-202).	<input type="checkbox"/>

Recruiting Qualified Personnel	
17. Staff avoid recruiting individuals to serve as board members	<input type="checkbox"/>
18. Local entities publicize the opportunity to apply for any elected board seats that will soon be coming available.	<input type="checkbox"/>
19. Local entities follow an open and objective recruiting process when filling staff positions and hiring outside contractors. Hiring relatives or business associates of the board and management is avoided.	<input type="checkbox"/>
20. Board and staff regularly receive the required training in open and public meetings, board governance and other matters applicable to the entity's mission. Training can be obtained online at https://auditor.utah.gov/training/loacl-district/ , through in-house seminars, and at conferences such as those offered by the Utah Association of Special Districts.	<input type="checkbox"/>
21. When in-house expertise is not available to perform special tasks, the entity hires or appoints qualified outside experts.	<input type="checkbox"/>

Tone at the Top	
22. The board adopts a code of ethics that clearly states the organization's values and standards of behavior.	<input type="checkbox"/>
23. The board and management seek opportunities to reinforce the organization's ethical standards during staff meetings, training, and newsletters.	<input type="checkbox"/>
24. The board holds everyone accountable, including management, to high standards of performance.	<input type="checkbox"/>
25. The board and executive director avoid using a compensation system and other incentives that encourage employees to take unnecessary risks.	<input type="checkbox"/>
26. The board provides an ethics hotline and adopts a whistleblower policy.	<input type="checkbox"/>
27. The board adopts a conflict-of-interest policy describing how members should respond when their personal interests have the potential to conflict with their public duty.	<input type="checkbox"/>

Agency Response

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**Weber School District Response to
The Review of Weber School District Report**

Conducted by the Office of the Office of the Legislative Auditor General

During the 2021 Utah State Legislative Session, Senate Bill 160 was approved which made amendments to provisions on legislative audits. Specifically, it expanded the charge of the Office of Legislative Auditor General to perform an audit on one or more local education agency's appropriations. The intent of SB 160, according to the law, was to 1) evaluate whether the entity's size and operation are commensurate with the entity's spending history; 2) evaluate whether the entity is diligent in its stewardship of state resources; and, 3) evaluate historic trends in the entity's operational performance effectiveness. Weber School District was selected as the first LEA to be subject to this expanded audit process.

Weber School District is audited on a frequent basis. Each year, we have multiple audits performed by both internal and external auditors. These audits include performance audits, as well as financial audits. As described to district officials, this particular audit conducted by the Office of the Legislative Auditor General was intended to provide the school district with insight into how we could operate our school district more efficiently and effectively. We welcomed the process and looked forward to in-depth, perceptive recommendations that could ultimately benefit the students, teachers and families throughout our school district.

District Response to Audit Process

At the conclusion of eleven months, (May 2021 thru April 2022), the Weber School District is deeply disappointed by the overall performance of the auditors. State auditors assigned to this task made little effort to understand the many programs and services provided to support student learning, growth and achievement throughout Weber School District. This is reflected in the fact that auditors spent minimal time with district directors becoming acquainted with the programs they oversee and the services that are provided for students and families.

Following are statements from district directors regarding their interactions with the auditors:

- 1) "The auditors asked me, "What do you do?" This was a very broad and general question as many things come across my desk in a day. I then asked a clarifying question, "Do you mean my job responsibilities or more on a day to day basis?" They did not clarify the question, so I started to tell them of the departments I oversee, the bi-monthly directors' meetings that we hold, the programs I supervise and the grants I write. They didn't have any in-depth questions about any of these tasks or responsibilities. The team spent about 40 minutes with me. I heard some anecdotal stories of one auditor's wife's teaching experiences. The auditing team left and I have not heard from them since that day."
- 2) "After a brief introduction, I asked them what questions they had. I was informed that they didn't know much about special education and I was asked to talk about special education so they could get a feel for what we did. They did state that starting from the beginning might be helpful for them. I made an assumption that we would have follow-up conversations for clarifications or to gather more detailed information. There was no inquiry until I received an email on January 18, 2022. The email asked questions centered around strategic plans and goals which seemed off topic from anything that was discussed in our June 28, 2021, meeting. Of all

the questions that can be asked about special education laws, practices, funding sources, lack of funding, and most importantly, addressing the specific needs of students with disabilities, I am disheartened that the focus appears to be on how our goals are communicated to others. I do not feel that the auditors know and understand that children are at the heart of our business or the purpose behind the special education department.”

- 3) “Last fall I was contacted by the auditors from the Legislative Auditor General's Office. They met me here at my office at Weber Innovations High School. We were introduced and after some small talk, the auditors asked a few questions that I would describe as very general. They asked about CTE and what we do, what courses are offered generally, and I explained the different areas or pathways in which we offer courses. We talked a little about where one of them went to high school and used that as a reference for some of the courses offered in CTE. For some reason, I remember one of them commenting on a promotional video that our coordinators made that they saw on our website that really stood out to them. That said, the interaction was generally uneventful and ordinary, almost more of a general getting to know you, leading me to believe that there would be more specific questions at a later date. That was the last interaction I had with the auditors.”
- 4) “My interactions with the auditors have been very limited. I think they were unaware that we had created a Digital Teaching and Learning Department when they came to talk to our team. I was introduced to the auditors and I told them about the new department and I maybe said one sentence to them on their way past—we did invite them to stay for a training if they wished and they declined. That is the limit of my interactions with the actual auditors.”

NOTE: That new Digital Teaching and Learning Department was established during the height of the pandemic to respond to the extraordinary needs brought on by the pandemic. Yet, the auditors spent literally no time with this entire department.

There is a common thread in the preceding comments from district directors. Following their initial meeting with the auditors in the summer of 2021, months passed without any follow-up questions to learn more about the programs they oversaw. Directors reported that the auditors didn't seem to understand enough about their departments to even know what questions to ask. However, district directors assumed that this initial meeting would be the first of multiple inquiries and conversations. They were wrong. Then, there was the January 2022 email sent from the auditors asking about the district's mission statement. Auditors landed on this notion that perhaps the district's mission statement didn't play an essential role in our daily work. At that point, they began to try to find evidence to support this theory. The auditors found what they believed was an insightful observation and then simply tried to find evidence to support that conclusion. This became a primary emphasis of their audit.

When district officials raised concerns in regards to the audit process with Kade Minchey, Utah's Legislative Auditor General, he acknowledged in an email that this was a new process for his office and that he had several “brand new auditors assigned to this audit which have slowed the process down.” Kade agreed to meet with district officials. In that initial meeting, Kade admitted that the process had been “klunky” (his term) and that they were working to improve it. Kade's admission explained the directors' experience that the auditors didn't even seem to know enough to ask relevant, meaningful questions.

Auditing Standards

Many legislative auditing bodies throughout the United States conduct performance audits in compliance with Government Auditing Standards established by the Comptroller General of the United States. Based on observations of how the audit was conducted, the items contained in the audit report, and the fact that the audit report does not reference any auditing standards, this engagement was not performed using generally accepted auditing standards. Not using generally accepted auditing standards diminishes the credibility of the audit report and the Legislative Auditor General's entire audit process. Not following Government Auditing Standards led to shortfalls in the areas listed below, as well as areas outlined later in this response:

Not defining the Scope of the engagement and communicating that scope to management.

Government Auditing Standards require auditors to define the scope of an audit and communicate that scope to auditee management. District management asked the auditors several times throughout the engagement if they had defined the scope of the audit. The first response given was, "by the time we are done, we will have looked at everything." Toward the end of the engagement, one of the auditors said that they had decided on the focus of the audit report. The auditor listed a few items that would be included in the audit report. However, many of the items that ended up being included in the audit report were never discussed with management during the fieldwork phase of the audit, which led to erroneous conclusions made by the auditors, which will be discussed later in this response. Six months into the audit, the auditors traveled to Arizona and learned that they have a similar law and use a dashboard with specific data points. While initially stating that the audit report should have no scope of management, auditors gradually shifted to consider a scope of work based on a dashboard from Arizona. The shift from no scope of work to the possibility of utilizing the Arizona dashboard (or some variation of it) certainly created ambiguity for both the school district and the auditors. This lack of clarity gave the impression to District management that this engagement was more of a fishing expedition than an audit performed in an efficient and professional manner.

Not communicating audit methodology with management.

According to Government Auditing Standards, not communicating objectives, scope and methodologies used in a performance audit could "significantly impair the auditors' ability to obtain sufficient, appropriate evidence to address the audit objective." Audit methodology and processes were poorly communicated to District management. District officials were often unaware of who auditors were meeting with or the purpose of those meetings. In an effort to avoid unnecessary disruptions in schools and streamline the audit process to make sure auditors were meeting with personnel that would be best suited to answer questions, the auditors were asked to inform District management before they schedule meetings with school principals. The auditors ignored the District's request and continued to meet with school principals without notifying management. The District is not opposed to the auditors meeting with principals. However, if the audit methodology would have been communicated to District management, the District would have provided the auditors with access to the most knowledgeable personnel to respond to audit requests.

Not assigning competent personnel to the engagement.

Government Auditing Standards require audit teams to be comprised of personnel that understand the subject matter being examined. Ethical standards of professional organizations, of which the Auditor General and at least two of the audit team members belong, mandate that professionals only take on work that they are competent to perform. As discussed earlier in this response, the audit team assigned to this audit lacked experience related to school districts. The lack of competency not only led to a “klunky” process, but also led the auditors to make erroneous conclusions that will be discussed later in this response. Weber School District believes that it is possible for such an audit to yield insightful results. However, experienced, trained auditors must be assigned to the task and those auditors must be willing to make the effort necessary to become acquainted with the services provided by a large school district. Weber School District would welcome such insights from experienced individuals. However, that was not the case with this audit.

District Response to the Audit Report

Weber School District contends that the audit report is incomplete, flawed and inaccurate in many aspects. We recognize that this may be the result of brand new, inexperienced auditors engaged in the first LEA audit of its kind. For example, under the Section, “Compared with Peer Districts, WSD Reports Similar Instruction Costs but Lower Spending in Other Areas,” the audit report states, “We found that WSD’s school buildings are, on average, eight years older than its peer district’s buildings. This suggests that WSD is slower to replace its aging schools” (See page 7). There was no mention to the fact that in the past fifteen years (2006-2021) the Weber School District successfully passed four bonds totaling \$506 Million Dollars in which ten schools (North Ogden Elementary, Valley Elementary, South Ogden Junior High, Wahlquist Junior High, North Park Elementary, West Weber Elementary, Marlon Hills Elementary, Club Heights Elementary, Roy Junior High School and Roosevelt Elementary) were replaced. Additionally, six new schools were constructed to accommodate growth (Orchard Springs Elementary, Silver Ridge Elementary, Weber Innovation Early College High School, as well as a new high school, a new junior high school and a new elementary school yet to be named and located in western Weber County). Neither did the audit mention that property poor districts like Weber School District currently receive significantly less funding from the state’s Capital Outlay Foundation program (due to formulaic changes and an overall reduction of available revenue), which further challenges our ability for capital improvements. Auditors simply didn’t inquire to understand a full history related to replacing aging facilities in our district. It was certainly a topic never discussed with district officials. .

The audit report states that the “audit work focused on providing the school district with meaningful and insightful areas for improvement” (See page 11). They provided two. One of those “meaningful and insightful areas of improvement” was that we should update our strategic plan. They accurately state that the district’s strategic plan is ten years old and doesn’t provide specific outcomes that are tied to the district’s mission and purpose.

The audit report then refers to two policy documents—neither of which applies to a local school district in Utah—as the basis for their finding. The first reference is to the 30-year old Government Performance and Results Act (1993), which applies to federal agencies and NOT Utah school districts. The GPRA requires federal agencies to prepare a strategic plan covering a multi-year period and requires each federal agency to submit an annual performance plan and an annual performance report. The Weber School District (and we assume every other school district in Utah) is completely unfamiliar with this

federal agency requirement and has never been asked to comply with such. The second reference was to the Office of Program Policy Analysis and Government Accountability in Florida. Weber School District officials were unaware of any expectation that we were responsible for policies or practices from the state of Florida. Those two references serve as the basis of this audit finding. Weber School District takes issue with an audit report issuing a finding based on requirements not associated with our state or an LEA. Implying that Weber School District should be held accountable for requirements from Florida or from federal agencies is consistent with their multiple attempts throughout the audit process to require documentation that was not specified by state law or board rule (e.g., requesting copies of board members' signed conflict of interest statements—something not required by either statute or state board rule). District officials repeatedly expressed concern with this tendency from inexperienced auditors.

The first example the audit report alludes to relative to how an updated strategic plan would improve performance was centered on graduation rates. Here, the audit report references a document found from an extremely successful project implemented between 2013-17 known as the Roy Cone Project. That Roy Cone Project established a goal to improve graduation rates, student achievement and attendance in grades K-12 within the Roy Cone. The audit specifically references improved graduation rates at Roy High School during that time and concludes that the reason for the increase was that there was a plan with measurable outcomes clearly stated in the plan.

What the audit report fails to mention is that across the district from 2011-2021, every one of our five high schools improved their graduation rates during this same period resulting in a significantly higher district graduation rate as of 2021. During that decade, the district's graduation rate rose from 77% in 2011 to 90.41% in 2021. The graduation rate of every high school in the district has improved at a statistically significant level. That increase is due to a specific focus on each student and that emphasis has been a systematic effort. Additionally, in 2014, all junior highs and high schools were trained in the appropriate use of exit codes which ensured students were attributed to the correct graduation cohort. This action was also a major factor in the increase of Weber School District's graduation rates and in the accuracy of the reported data.

In terms of helping every student "achieve academic, social, emotional and physical potential in a safe, nurturing environment," (as quoted from the district's strategic plan) we have seen demonstration of this through: 1) an increase in the number of students enrolled in concurrent enrollment classes (1560 in 2011 to 3087 in 2021); 2) total concurrent enrollment credit earned (3460 in 2011 to 8318 in 2021); 3) number of students in advanced placement courses (862 in 2011 to 1226 in 2022); 4) total students passing advanced placement tests (524 in 2011 to 1067 in 2021); 5) total number of schools adopting the "Leader in Me" program (0 in 2011 to 18 in 2022); 6) total number of elementary schools that have adopted the "Project Lead the Way—Launch Program" (0 in 2011 to 17 in 2022); 7) total number of elementary schools that have adopted the Beverly Taylor Sorenson Fine Arts Program (0 in 2011 and 7 in 2022). We believe that all of these systemic efforts have contributed to the increase in graduation rates, as well as the increase in the number of students enrolled in more rigorous academic programs. Each initiative was approved by the board of education and presentations to the board were made on each program. The audit does not reflect any of this data because the auditors never inquired about any of them.

Weber School District does not argue that it isn't a good practice to include performance measures within the strategic plan; however, to imply that there has been no increase in graduation rates except at Roy High is erroneous and disingenuous. The audit report makes an implication that there has been no

growth in graduation rates except at Roy High and that increase was only a result of it being included as a measurable outcome. Such a conclusion is inaccurate and misleading.

The audit report also makes a claim that Weber School District “has the eighth lowest English and math proficiency out of 38 districts analyzed” (See page 18). The report indicates that the auditors conducted a “multifactor regression analysis” (the correct term is actually ‘multiple regression analysis’) to reach this conclusion. A multiple regression analysis allows researchers to assess the relationship between an outcome (student proficiency in this case) with two or more predictor variables. The key to a multiple regression analysis is that there must be at least two predictor variables. In this case, while the report indicates that “we took into account variables related to student demographics” (See page 18) and “several factors went into our analysis” (See page 19) only one variable was used—economically disadvantaged students. Any experienced evaluator knows not only to name the specific predictor variables that are used in a multiple regression analysis, but also to explain why those variables serve as effective predictors. It is misleading to state that a ‘multifactor regression’ is employed to conduct an analysis but then only using one variable. Statistically, that’s problematic and consequently leads to inaccurate results and conclusions.

Utah’s assessment and accountability system places emphasis on both proficiency rates as well as growth percentiles. While Weber School District does have work to do with respect to proficiency rates, we are proud of the median growth percentiles which represent the measurable growth of our students over the course of each year. The median growth percentiles for Weber School District clearly illustrate the movement of our students toward proficiency. In fact, the district’s median growth percentile in both mathematics and science grew by a statistically significant five percent from 2019 to 2021. This is even more relevant given the state of recovery from the pandemic during this time. Additionally, the 2021 median growth percentile for mathematics places Weber School District as 19th out of the 41 districts. The median growth percentile for English language arts remained steady from 2019 to 2021 at a rate that statistically demonstrates student growth equal to or more than one year for each of the academic years during that period. This important component of the accountability system was never discussed in the auditor’s reports—which again points to an incomplete analysis of assessment data and an overall lack of understanding relative to Utah’s accountability system. As mentioned earlier, the auditors failed to evaluate or deeply analyze data from the wide variety of assessments our students participate in annually.

The school district’s testing and assessment department conducted a fair trend analysis to study student proficiency across Weber School District by comparing actual performance in 2021 to expected performance without the impact of the pandemic. This statistical modeling was performed by extrapolation using validated historical data from pre-pandemic assessments. This type of analysis is a powerful way to evaluate actual versus expected performance during a time in which student data could potentially drop. Performance data that is at or above the values expected by the fair trend analysis is a clear illustration of effective instructional practices and close attention to the performance of each child throughout the challenges of the pandemic. It also allows us to more thoughtfully evaluate student performance as opposed to using simple proficiency scores.

Data produced through this fair trend analysis showed both ninth and tenth grade students performed at or above the expectations in English Language Arts. Further, students in **all** grades (except eighth grade) performed at or above fair trend expectations in mathematics. Modeling of science data again showed a student performance that was at or above expected levels. This analysis clearly demonstrates attention

to individual student needs and shows that the use of high-impact, evidence-based instructional strategies led the students of Weber School District to be largely unaffected by the potentially devastating educational disruptions of the pandemic.

The fair trend analysis was further expanded to evaluate the impact of the pandemic with respect to various student groups including multi-language learners, low income students, students of color and students who are served by special education. Actual scale scores in ninth and tenth grade English Language Arts were at or above fair trend modeling for all subgroups, as were the scale scores in sixth, seventh and eighth grade science. The overwhelming majority of students who were identified as low income scored at or above modeled values in mathematics, as did students of color. This level of performance wouldn't have been possible without intentional district-wide attention to student data and a strong focus on multi-tiered systems of support. Once again, the auditors did not take the time and didn't demonstrate the experience to thoroughly evaluate the performance of all students in Weber School District by conducting varied and appropriate statistical analyses.

The Weber School District believes that the auditors violated their professional code of ethics by attempting to predict what Weber School District's State assessment proficiency rates "should be" (see figure 2.2). The auditors assigned to this engagement do not possess the experience, knowledge, or expertise to determine what factors should be included in projecting a school district's anticipated average proficiency score. This is evident in the fact that they attempted to employ a *multiple regression* analysis using but one predictor variable. Statistically, as previously mentioned, that is problematic. The auditors somehow determined that, "WSD's average math and English proficiency scores should be nearly seven percentage points higher." Generally accepted auditing standards as well as professional ethical standards would require the Legislative General Auditor's Office to either assign a competent professional to this type of analysis, or contract with an entity that possesses the expertise to perform an analysis of predicted proficiency scores.

If a competent individual was to perform an objective analysis, the District would expect the audit report to include information related to the statistical significance of the analysis, what variables were included or excluded when performing the multiple regression analysis, what is the coefficient assigned to each variable, and what are the statistical measures to gauge validity and reliability of the analysis.

The auditors also never discussed student proficiency with District management. The audit report erroneously states, "the WSD board does not appear to be addressing lower-than-expected proficiency rates." If the auditors would have conducted a meaningful assessment of how Weber School District addresses student proficiency, they would have discovered that each of our schools use a School Outcome Accountability Report (SOAR) to determine the learning gaps and barriers their specific school faces. Using a data driven plan, teams of school and district administrators, counselors, faculty, parents and other community members, stakeholders use the SOAR data to create plans that address not only proficiency scores, but also the many other factors that lead to educating the whole student. The Weber Board of Education carefully reviews each school plan before approving them on an annual basis.

Additionally, school leaders, district leaders and teachers are well-versed in the use of the Data Gateway. This state tool provides robust reporting of proficiency levels, growth percentiles and longitudinal trends down to the teacher level. Each school has a Collaborative Leadership Team (CLT) which uses this data to guide all decision making and to determine local school needs and priorities. These CLTs meet together at the district level twice a year to share best-practices, align school work to the needs identified from multiple data sources, and to study high-impact strategies. Finally, school-level Professional Learning

Communities use a variety of data sources to inform instruction and to support Tier II and Tier III student interventions through the multi-tiered system of support.

If the auditors would have spoken to District management about student proficiency, they would have learned that the Board approves the following expenditures each year to improve proficiency levels:

- Over \$2.5 million for instructional coaches and curriculum specialists in elementary schools to address reading proficiency and early literacy skills.
- Approximately \$200,000 is distributed annually among the 29 elementary schools for which the sole purpose is to improve literacy. Schools often use these funds to purchase well-vetted supplemental programs to support phonics, phonemic awareness, comprehension and other areas of early literacy instruction. Schools also use this funding source to provide professional learning experiences that specifically target literacy and to further the overall implementation and functionality of the professional learning communities.
- Approximately \$4 million in State Trustlands money, of which the majority is used to improve student proficiency. Schools create individual Trustlands plans that are approved by the Board to primarily address proficiency gaps.
- Nearly \$4.8 million in Teacher Student Success Act money of which the majority is used to address proficiency levels in every school.

Chapter III of the audit report addressed grant management of three CTE grants. The audit report fails to mention that this performance audit did not uncover the issues related to the CTE grant. The District had already resolved the issues related to the CTE grants internally and with USBE prior to the auditors becoming aware of the CTE grants. The Legislative General Auditor's office only became aware of the CTE grant issues as a result of discussion between USBE and the Auditor's office after the issue had been resolved. Although the auditors did speak to our CTE director early in the engagement, the auditors never addressed these grants with the CTE director, or with anyone else in the CTE department that is responsible for the management of these grants.

The audit report suggests that "other WSD grants may be at risk for similar issues." However, the auditors did not perform testing on our grant management processes that included any sort of sampling and testing process. Had such tests been conducted, the audit would have concluded that the issues related to these three CTE grants were unique to the circumstances surrounding these grants specifically and not a reflection of the District's overall grant management process.

Page 28 of the audit report makes an inaccurate claim that WSD forfeited \$15,500 as a result of grant mismanagement. District management has previously informed the auditors that furniture related to this CTE grant had been ordered months before the grant award period had expired. However, due to supply chain issues related to the global pandemic, the furniture was not received by the District until after the grant expenditure deadline had expired which resulted in the District not being able to expend the full grant amount. But, the furniture and supplies were received. In other words, the district did not forfeit \$15,500.00.

The audit report also erroneously claims that the final reimbursement request for one of the District's CTE grants occurred outside the deadline established by USBE (see page 27 of the audit report). On October 22, 2021, the District's CTE director received an email from Libby Giles, Compliance Specialist at USBE, stating that the deadline to submit reimbursement for the grant in question was October 29, 2021. The District submitted the reimbursement request on October 29, 2021, and received the full grant award. This was explained to the auditors but they still included erroneous information in their report.

Conclusion

There were four auditors assigned to this audit. The combined salaries of these four auditors exceeds \$496,000.00.

Auditor #1 – Total Salary = \$230,013.21

Auditor #2 – Total Salary = \$137,056.39

Auditor #3 – Total Salary = \$97,042.37

Auditor #4 – Total Salary = \$32,169.40

TOTAL COMPENSATION FOR ALL FOUR AUDITORS = \$496,281.37

Additionally, Utah's Auditor General has spent significant time on this audit. His salary package is \$283,229.00. In other words, for well over \$500,000.00, the primary recommendation of this audit is that Weber School District should update its strategic plan. Weber School District certainly expected more "meaningful and insightful" recommendations would be made than this.

Ironically, this audit was intended to point out efficiencies in operations. However, the audit itself is the embodiment of inefficiency. Literally hundreds of thousands of taxpayer dollars were spent over a period of eleven months (nine months performing the audit and two months writing the audit summary) for the salaries and expenses of inexperienced auditors with very little to show for it. As a state, we pride ourselves in the wise use of taxpayer dollars. Yet, this audit is the antithesis of prudent expenditure of taxpayer dollars. The disappointment going forward is that this process is to be repeated in every school district. Certainly, there are better uses for scarce taxpayer dollars. Bottom line--it's difficult for Weber School District to find credibility in an audit report performed by "brand new," inexperienced auditors engaged in a "klunky" process.

Following many months of work in the Weber School District, the conclusions drawn in this audit were surface level. In our opinion, the reason for the surface level conclusions is because the audit was a first of its kind performed by new and inexperienced auditors who didn't know enough to even ask good questions. As a district, we were greatly disappointed by the superficial findings. From the outset, we expected much more. We expected experienced, savvy auditors who could offer insightful feedback. That is not what we got from this audit.

Weber School District will always welcome input from experienced, insightful individuals. Sadly, that was not the case with this audit. However, if such an audit is to have any benefit whatsoever for a school district, there must be auditors assigned who are not "brand new staff members." The Office of the Legislative Auditor General must review their own performance on this audit. If experienced auditors who put forth sufficient effort and who understood enough to ask the right questions were assigned to a future audit, it is likely that insightful feedback could be provided to district officials--resulting in a beneficial process. But, this audit fell short—far short. In the process, taxpayer dollars were not utilized in a manner consistent with conservative Utah practices. Should this process be repeated in another school district, we strongly recommend significant review of the auditing process, as well as the overall performance of the individuals involved in the audit.

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Auditor Concluding Remarks

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During the course of audits, it is not uncommon for auditors and auditees to have disagreements about how situations should have been handled or conclusions reached. In order to allow auditees to share information deemed important that was not included in the audit, we publish unedited responses to each audit completed. However, government audit standards published by the Government Accountability Office (GAO) state, “When the audited entity’s comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, the auditors should evaluate the validity of the audited entity’s comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement.” In accordance with this audit standard, we briefly correct several factual inaccuracies that are contained in the response letter provided by the Weber School District.

The district’s response indicates several times that we did not talk to the district about some findings, we did meet with the Superintendent on January 27, 2022, and went over the proposed outline of the report and reviewed all major findings prior to writing. We also asked to meet with him following our delivery of the first draft of the report on March 9th. It is our standard practice to meet with auditees once they receive a report draft to go over any concerns. In an email on March 10th, he told us his “schedule is extremely full for the remainder of the month,” and recommended we meet with the business administrator, which we did.

WSD Statement:

According to Government Auditing Standards, not communicating objectives, scope and methodologies used in a performance audit could “significantly impair the auditors’ ability to obtain sufficient, appropriate evidence to address the audit objective.”

Response:

The Auditing standards have been misquoted and the crucial word *unless* was omitted. The correct reference states, *Auditors should communicate an overview of the objectives, scope, and methodology and the timing of the performance audit and planned reporting (including any potential restrictions on the report), unless doing so could significantly impair the auditors’ ability to obtain sufficient, appropriate evidence to address the audit objectives.* (Emphasis added). Also, the scope of the audit is outlined in *Utah Code* 36-12-15.1.

WSD Statement:

Not assigning competent personnel to the engagement.

Response:

We disagree with the assertion that audit staff were not competent. The audit manager is a certified public accountant and has 15 years of state government experience and the audit

supervisor is a certified internal auditor and certified fraud examiner with 10 years of experience. Both have taken part in an agency budget review.¹⁸ As part of the passage of SB 160, which extended budget reviews to LEAs, the Legislature appropriated additional funding to our office. With that funding, we hired new employees and assigned two of them to this job. These new employees were given tasks commensurate with their abilities and worked under the direction of the audit manager and supervisor. This is in line with yellow book standards to “assign auditors who before beginning work on the engagement possess the competence needed for their assigned roles.”

WSD Statement:

While the report indicates that “we took into account variables related to student demographics” (See page 18) and “several factors went into our analysis” (See page 19) only one variable was used—economically disadvantaged students.

Response:

The statement quoted by the district is incomplete. As indicated in our report, the full sentence referenced by the district states, “We took into account variables related to student demographics, such as the percentage of students who are economically disadvantaged, as well as variables related to school funding.” In total, five variables were used in the regression analysis. To help with ease of understanding, Figure 2.2 shows the correlation of proficiency rates to a single, highly predictive variable.

WSD Statement:

Page 28 of the audit report makes an inaccurate claim that WSD forfeited \$15,500 as a result of grant mismanagement. District management has previously informed the auditors that furniture related to this CTE grant had been ordered months before the grant award period had expired. However, due to supply chain issues related to the global pandemic, the furniture was not received by the District until after the grant expenditure deadline had expired which resulted in the District not being able to expend the full grant amount. But, the furniture and supplies were received. In other words, the district did not forfeit \$15,500.00.

Response:

The district waived \$15,500 of funding that could have been reimbursed by USBE had two CTE grants been properly managed by amending their budgets to include expenditures that were actually made within the grant award period. The district eventually received and paid for furniture related to one of the grants, but these purchases were not reimbursed as

¹⁸ *An In-Depth Budget Review of the Department of Agriculture and Food* https://olag.utah.gov/olag-doc/2021-08_RPT.pdf

originally intended. The district made other expenditures during the grant award period that could have been reimbursed had the district amended the grant budget.

WSD Statement:

The audit report also erroneously claims that the final reimbursement request for one of the District's

CTE grants occurred outside the deadline established by USBE (see page 27 of the audit report)... This was explained to the auditors but they still included erroneous information in their report.

Response:

We do not dispute that the district received the full award amount for this grant or that USBE gave the district extensions to the original deadlines established. Our statement was, "WSD eventually received the full award amount. The final reimbursement request for the grant occurred more than three months after the award period ended, outside the deadline established by USBE." This is consistent with USBE's statement to us that they "did not receive an accurate/reimbursable request until after the 90-days." Since the grant ended on 6/30/2021, federal requirements place the reimbursement deadline on 9/28/21 prior to any extensions granted. The district has stated that they submitted the reimbursement request on 10/29/21.

WSD Statement:

There were four auditors assigned to this audit. The combined salaries of these four auditors exceeds \$496,000.00. Additionally, Utah's Auditor General has spent significant time on this audit. In other words, [the audit cost] well over \$500,000.00.

Response:

The district has incorrectly claimed total benefit packages including health benefits, retirement, and taxes for employees as "salaries." Additionally, the district submitted a GRAMA request for this information which was given to the superintendent on January 19, 2022. This response included the actual cost of the audit, which at the time was \$148,942.21. The district's calculations used the cost of each auditor's total benefits package for an entire year. The audit took less than a year, as our initial meeting with the district was on June 2, 2021. The calculation also does not account for time spent on other assignments or time off, resulting in the district's estimate of costs being more than double actual costs.

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