

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jim Quinn
Chief Financial Officer
Ohio Department of Education
25 South Front Street
Columbus, Ohio 43215

Jacquie McKee
Assistant Chief Auditor
Ohio Auditor of State
88 East Broad Street
Columbus, Ohio 43215

Ashley Gardner
U.S. Department of Education
Charter School Program
400 Maryland Avenue, SW RM 3E113
Washington, DC 20202

We have performed the procedures enumerated below with respect to the Ohio Department of Education's ("ODE") oversight responsibilities related to (1) subgrant recipient claims and payments, and (2) monitoring and performance for the Charter Schools Program for the monitoring period October 1, 2020 through September 30, 2021 (the "Subject Matter"). ODE is responsible for the Subject Matter.

The engaging party, ODE, has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ODE with its oversight responsibilities related to (1) subgrant recipient claims and payments, and (2) monitoring and performance for the Charter Schools Program for the monitoring period October 1, 2020 through September 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report, and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Grant Recipient Claims and Payments

1.1 Grant Recipient Claims – Allowable Activities

(A)	(1)	Obtain payment cash requests to include two PCRs for each subgrantee from the CCIP to determine documentation of reimbursement. If a subgrantee only submitted one PCR, then obtain only the one. <i>Finding</i> – Based on the above criteria, we selected 21 PCRs.
	(a)	Inspect budget to ensure program approval. <i>Finding</i> – We inspected the budget for each subgrant to ensure program approval.
	(b)	Inspect documentation for program expenditures as selected in part 2 below to confirm that educational services that were approved in the budget were provided. <i>Finding</i> – For each PCR selected, we inspected documentation for program expenditures and confirmed that educational services that were approved in the budget were provided.

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 2 of 14

	(c)	<p>Trace the amounts reported on the PCR to the district’s accounting system report. Determine that the amounts reported on the PCR are supported by subrecipient accounting records.</p> <p><i>Finding</i> – For each PCR selected, we traced the amounts reported on the PCR to the subgrantee's accounting system report, and we determined that the amounts reported on the PCR were supported by subrecipient accounting records.</p>												
	(2)	<p>From the subrecipient’s accounting record obtained in (1c) above, select expenditures equal to at least 50% of the requested amount from each of the selected PCRs to determine whether the subgrantee charged allowable costs in accordance with 2 CFR 200 and 20 USC 7221 to the program, including:</p> <table border="1" data-bbox="418 703 1531 1885"> <tr> <td data-bbox="418 703 483 745">(a)</td> <td data-bbox="483 703 1531 745">For payroll charges,</td> </tr> <tr> <td data-bbox="418 745 483 947">i.</td> <td data-bbox="483 745 1531 947"> <p>Confirm whether the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p> <p><i>Finding</i> – For payroll charges, we confirmed the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p> </td> </tr> <tr> <td data-bbox="418 947 483 1184">(b)</td> <td data-bbox="483 947 1531 1184"> <p>Confirm the subgrantee spent funds on activities supported in the approved application and whether the transaction was within the budgeted time frame. (i.e., did not incur expenses prior to a budget revision).</p> <p><i>Finding</i> – We confirmed the subgrantee spent funds on activities supported in the approved application and the transaction was within the budgeted time frame.</p> </td> </tr> <tr> <td data-bbox="418 1184 483 1383">(c)</td> <td data-bbox="483 1184 1531 1383"> <p>Confirm whether the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p> <p><i>Finding</i> – We confirmed the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p> </td> </tr> <tr> <td data-bbox="418 1383 483 1585">(d)</td> <td data-bbox="483 1383 1531 1585"> <p>Confirm whether the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p> <p><i>Finding</i> – We confirmed the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p> </td> </tr> <tr> <td data-bbox="418 1585 483 1885">(e)</td> <td data-bbox="483 1585 1531 1885"> <p>Confirm whether the expenditure charged to the proper fund (fund 599), function and object.</p> <p><i>Finding</i> – With one exception, we confirmed the expenditures were charged to the proper fund (fund 599), function and object within the subgrantee's accounting system. The exception was for the Northwest Ohio Classical Academy in the amount of \$29,826, in which the purchase of cafeteria tables were improperly coded to regular instruction expenses.</p> </td> </tr> </table>	(a)	For payroll charges,	i.	<p>Confirm whether the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p> <p><i>Finding</i> – For payroll charges, we confirmed the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p>	(b)	<p>Confirm the subgrantee spent funds on activities supported in the approved application and whether the transaction was within the budgeted time frame. (i.e., did not incur expenses prior to a budget revision).</p> <p><i>Finding</i> – We confirmed the subgrantee spent funds on activities supported in the approved application and the transaction was within the budgeted time frame.</p>	(c)	<p>Confirm whether the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p> <p><i>Finding</i> – We confirmed the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p>	(d)	<p>Confirm whether the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p> <p><i>Finding</i> – We confirmed the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p>	(e)	<p>Confirm whether the expenditure charged to the proper fund (fund 599), function and object.</p> <p><i>Finding</i> – With one exception, we confirmed the expenditures were charged to the proper fund (fund 599), function and object within the subgrantee's accounting system. The exception was for the Northwest Ohio Classical Academy in the amount of \$29,826, in which the purchase of cafeteria tables were improperly coded to regular instruction expenses.</p>
(a)	For payroll charges,													
i.	<p>Confirm whether the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p> <p><i>Finding</i> – For payroll charges, we confirmed the subgrantee maintained time and effort documentation for split funded employees in accordance with 2 CFR 200.</p>													
(b)	<p>Confirm the subgrantee spent funds on activities supported in the approved application and whether the transaction was within the budgeted time frame. (i.e., did not incur expenses prior to a budget revision).</p> <p><i>Finding</i> – We confirmed the subgrantee spent funds on activities supported in the approved application and the transaction was within the budgeted time frame.</p>													
(c)	<p>Confirm whether the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p> <p><i>Finding</i> – We confirmed the activities served the planning, program design or initial implementation of the charter school as indicated in the approved application.</p>													
(d)	<p>Confirm whether the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p> <p><i>Finding</i> – We confirmed the expenditure served a proper public purpose as established by the allowable program costs described in 20 USC 7221.</p>													
(e)	<p>Confirm whether the expenditure charged to the proper fund (fund 599), function and object.</p> <p><i>Finding</i> – With one exception, we confirmed the expenditures were charged to the proper fund (fund 599), function and object within the subgrantee's accounting system. The exception was for the Northwest Ohio Classical Academy in the amount of \$29,826, in which the purchase of cafeteria tables were improperly coded to regular instruction expenses.</p>													

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 3 of 14

	<p>(f) Confirm whether the expenditure conformed to standard cost principles pursuant to 2 CFR 200, such as:</p> <ul style="list-style-type: none"> i. Necessary and reasonable for the performance of the Federal award and allocable under the principles of 2 CFR part 200, subpart E. ii. Conform to any exclusions or limitations set forth in 2 CFR part 200, subpart E, or in the Federal award as to the types or amount of cost items. iii. Consistent with policies and procedures that apply uniformly to both federally financed and other state or local activities. iv. Accorded consistent treatment. Costs were not assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances was allocated to the Federal award as an indirect cost. v. Not included as a cost of any other federally financed program in either the current or a prior period. vi. Not used to meet the cost-sharing or matching requirements of another Federal program, except those authorized by Federal statute. vii. Adequately documented. <p><i>Finding</i> – We confirmed the expenditures conformed to standard cost principles pursuant to 2 CFR 200, as listed in the procedure above.</p>
	<p>(3) Did the expenditure comply with specific allowable costs requirement under the Charter School Program, 20 USC 7221, such as:</p> <ul style="list-style-type: none"> a) Post Award Planning costs which may include: <ul style="list-style-type: none"> I. A refinement of the desired educational results, II. Developing methods for measuring progress toward achieving those results, III. Professional development of teachers and other staff who will work in the charter school. b) Initial implementation costs which may include: <ul style="list-style-type: none"> I. Informing the community about the school, II. Acquire necessary equipment and educational materials and supplies, and III. Acquiring or developing curriculum materials. c) Other initial operational costs that cannot be met from State or local sources: <ul style="list-style-type: none"> I. Costs associated with creating and implementing office functions, such as accounting systems, attendance and registration systems, and human resources policies, II. Costs associated with the installation of computers, data systems, networks, and telephones, III. Personnel expenses incurred either before or after the school’s opening, provided that these expenses are associated with initial implementation activities, IV. If Personal expenses were incurred did the charter school maintain accurate time and effort records in accordance with the school’s established (and, if applicable, approved by the Department) time and effort reporting system. V. Rental or occupancy costs for the school facility for a reasonable period of time (July 1, or the subgrant award date, through September 30 of the same year) in preparation for the school’s opening. VI. If equipment was purchased, confirm it was included in the approved application and budget for the grant.

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 4 of 14

		<p><i>Finding</i> – We confirmed the expenditure complied with specific allowable costs requirements under the Charter School Program, 20 USC 7221, such as post award planning costs, initial implementation costs, or other initial operational costs that cannot be met from State or local sources, as described in the procedure above.</p>
	(4)	<p>A non-profit charter school receiving CSP may enter into a contract with a for profit CMO or EMO; ensure, the following were in place,</p>
	a)	<p>Obtain and inspect the contract, determine if the non-profit charter school is the subgrant recipient and directly administers or supervises the administration the CSP project.</p> <p><i>Finding</i> – We inspected each contract and determined the non-profit charter school was the subgrant recipient, which directly administers or supervises the administration of the CSP project.</p>
	(5)	<p>Grantee must avoid apparent and actual conflicts of interests when administering grants. A charter school must maintain independence from the for-profit management company and sponsor, determine whether the Department documented the following.</p>
	a)	<p>The Department verified that members of the charter’s school’s governing board are not selected by or includes employees of the for-profit CMO or EMO.</p> <p><i>Finding</i> – We determined the Department documented that it verified that members of the charter school's governing board were not selected by or include employees of the for-profit CMO or EMO.</p>
	b)	<p>The Department verified the charter school’s attorney, accountant and audit firm are independent from the for-profit CMO or EMO in accordance with Ohio Revised Code 3314.03(A)(31).</p> <p><i>Finding</i> – We determined the Department documented that it verified the charter school's attorney, accountant, and audit firm (if selected) were independent from the for-profit CMO or EMO in accordance with Ohio Revised Code 3314.03(A)((31).</p>
	c)	<p>The Department verified that the school's fiscal officer obtained a surety bond and that the treasurer is employed directly by the governing authority unless the governing authority adopts a resolution waiving the requirement and the school's sponsor approves the resolution per ORC 3314.0111.</p> <p><i>Finding</i> – We determined the Department verified as part of the sponsor evaluation process and subgrantee application process that the school's fiscal officer obtained a surety bond and that the treasurer is employed directly by the governing authority unless the governing authority adopts a resolution waiving the requirement and the school's sponsor approves the resolution per ORC 3314.0111.</p>

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 5 of 14

		<p>d) The Department verified the contract between the charter school and the CMO or EMO is an “arm’s length” agreement which clearly describes each parties rights and responsibilities and specifies reasonable and feasible terms under which either party may terminate the contract. See part 4.76.8.8.2 of the IRS’ Internal Revenue Manual.</p> <p><i>Finding</i> – We determined the Department documented that it verified the contract between the charter school and the CMO or EMO was an “arm’s length” agreement which clearly describes each parties rights and responsibilities and specifies reasonable and feasible terms under which either party may terminate the contract.</p> <p>e) The Department verified the fee paid to the CMO or EMO is reasonable for the type of management services provided.</p> <p><i>Finding</i> – We determined the Department documented that it verified the fee paid to each school's CMO or EMO was reasonable for the type of management services provided.</p> <p>f) The Department verified whether other agreements between the charter school and for-profit CMO or EMO are fair and reasonable, documented appropriately, align with market rates, and include terms that will not change if the management contract is terminated.</p> <p><i>Finding</i> – We determined the Department documented that it verified whether other agreements between the charter school and for-profit CMO or EMO are fair and reasonable, documented appropriately, align with market rates, and include terms that will not change if the management contract is terminated.</p> <p>g) The Department verified the charter school’s governing board does not include any employees of the sponsor or members of a school district board of education in accordance with Ohio Revised Code 3313.131 and 3314.02(E)(6) and (8).</p> <p><i>Finding</i> – We determined the Department documented that it verified the charter school's governing board did not include any employees of the sponsor or members of a school district board of education in accordance with Ohio Revised Code 3313.131 and 3314.02(E)(6) and (8).</p>
(B)		<p>Period of Availability – Using the PCRs selected for (A)(1) above determine that:</p> <p><i>Finding</i> – Using the PCRs selected for (A)(1) above, we determined the following:</p> <p>(1) Obligations (as defined in the Department of Education Cross-Cutting Section of the OMB Compliance Supplement) were incurred after the initial substantial approval date.</p> <p><i>Finding</i> – We determined obligations (as defined in the Department of Education Cross-Cutting Section of the OMB Compliance Supplement) were incurred after the initial substantial approval date.</p>

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 6 of 14

	<p>(2) Obligations were incurred before the end of the project period. (June 30 or other ending date specified in the project application).</p> <p><i>Finding</i> – With one exception, we determined obligations were incurred before the end of the project period. (June 30 or other ending date specified in the project application). The exception we noted was for the Kenmore Preparatory Academy. We identified expenditure obligations totaling \$32,301 to Assessment Technologies that were incurred after the end of the project period, 6/30/2021, as specified in the project application.</p>																				
	<p>(3) Obligation was liquidated not later than 60 days after the end of the project (for paper projects) or 90 days after the end of the period for CCIP projects.</p> <p><i>Finding</i> – We determined obligations were liquidated not later than 60 days after the end of the project (for paper projects) or 90 days after the end of the period for CCIP projects. All were CCIP projects.</p>																				
	<p>(4) For activities revised after the approved original budget, the obligation occurred subsequent to the approval by the Department for the revision.</p> <p><i>Finding</i> – With the following exceptions, we determined for activities revised after the approved original budget, the obligation occurred subsequent to the approval by the Department for the revision. The following subgrantee obligations were incurred prior to when the associated budget revision was approved:</p> <table border="1" data-bbox="418 1073 1523 1283"> <thead> <tr> <th>Subgrantee</th> <th>Amount</th> <th>Obligation Date</th> <th>Budget Revision Approval Date</th> </tr> </thead> <tbody> <tr> <td>Citizens Academy Southeast</td> <td>\$2,333</td> <td>Various</td> <td>5/18/2021</td> </tr> <tr> <td>Citizens Academy Southeast</td> <td>\$6,430</td> <td>Various</td> <td>5/18/2021</td> </tr> <tr> <td>Citizens Academy Southeast</td> <td>\$27,359</td> <td>Various</td> <td>5/18/2021</td> </tr> <tr> <td>Northwest Ohio Classical Academy</td> <td>\$3,673</td> <td>1/8/2021</td> <td>3/12/2021</td> </tr> </tbody> </table>	Subgrantee	Amount	Obligation Date	Budget Revision Approval Date	Citizens Academy Southeast	\$2,333	Various	5/18/2021	Citizens Academy Southeast	\$6,430	Various	5/18/2021	Citizens Academy Southeast	\$27,359	Various	5/18/2021	Northwest Ohio Classical Academy	\$3,673	1/8/2021	3/12/2021
Subgrantee	Amount	Obligation Date	Budget Revision Approval Date																		
Citizens Academy Southeast	\$2,333	Various	5/18/2021																		
Citizens Academy Southeast	\$6,430	Various	5/18/2021																		
Citizens Academy Southeast	\$27,359	Various	5/18/2021																		
Northwest Ohio Classical Academy	\$3,673	1/8/2021	3/12/2021																		
	<p>(5) Based on the procedures performed, report all discrepancies noted on the Exception listing for the on-site review.</p> <p><i>Finding</i> – Based on the procedures performed, there were no other discrepancies noted on the Exception listing for the on-site review.</p>																				
(C)	<p>(1) Obtain and inspect all the subgrantees’ procurement policies and standards. Determine if the policy includes:</p> <ul style="list-style-type: none"> a) Procurement Standards of Conduct for Recipients b) Procurement Standards of Conduct for Non-Federal Entities, including subrecipients c) Procurement procedures includes required standards outlined in 2 CFR 200.317 thru 200.326. 																				

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 7 of 14

	<p><i>Finding</i> – We inspected each subgrantee's procurement policy and standards in place during the monitoring period. With the following exception, each subgrantee’s procurement policies and standards included procurement standards of conduct and the required standards outlined in 2CFR 200.317 thru 200.326. The exception we noted was for the Capital Collegiate Preparatory Academy. Their policy did not include written standards of conduct covering conflicts of interest required by 200.318.</p>
(2)	<p>Obtain a list of subgrantees who contract with an operator (Management Company). Confirm that the subgrantee implemented its procurement policy.</p> <p><i>Finding</i> – Eight subgrantees, listed below, contracted with an operator (Management Company); however, there was no evidence the subgrantees implemented the Management Company's procurement policy.</p> <ol style="list-style-type: none"> 1. Capital Collegiate Preparatory Academy 2. Central Point Preparatory Academy 3. Citizens Academy Southeast 4. Cornerstone Academy Community School 5. Huber Heights Preparatory Academy 6. Kenmore Preparatory Academy 7. North Columbus Preparatory Academy 8. ReGeneration Bond Hill
(3)	<p>Obtain each subgrantee’s budget from the CCIP. Confirm whether funds were budgeted for Purchased services.</p> <p><i>Finding</i> – We confirmed all subgrantees had funds budgeted for purchased services.</p>
(4)	<p>If applicable, select procurements for purchased services equal to at least 50% of requested amount for each of the previously selected PCRs,</p> <ol style="list-style-type: none"> a) Confirm procurement policies were followed b) Was conflict of interest considered c) Full and Open Competition d) Methods of procurement followed e) Cost or price analysis completed <p><i>Finding</i> – From the previously selected PCRs, we did not identify any procurements for purchased services equal to at least 50% of the amount of the PCR, so this procedure is not applicable.</p>

1.2 Cash Management

(A)	(1)	<p>Obtain and inspect the Department’s Office of Payment and Analysis Cash Management Policy. Determine if it is current to the requirements set forth in the Uniform Guidance (2 CFR 200).</p> <p><i>Finding</i> – We inspected the Department's Cash Management Policy and determined it is current with the requirements set forth in the Uniform Guidance (2 CFR 200).</p>
(B)	<p>From the PCRs selected in section 1.1 (A)(1) complete the following steps:</p> <p><i>Finding</i> – Using the same PCRs we previously selected for section 1.1 (A)(1), we performed the following:</p>	
	(1)	<p>Observe the “Fiscal Information as of date” on the PCRs to determine when the expenses were incurred.</p> <p><i>Finding</i> – We observed the "Fiscal information as of date" on each PCR to determine when the expenses were incurred.</p>
	(2)	<p>Inspect the uploaded support documentation to ensure the expenses were incurred.</p> <p><i>Finding</i> – We inspected the uploaded support documentation to ensure the expenses were incurred.</p>
	(3)	<p>Trace the total expenditures amounts to the entity’s records and confirm the expenditures recorded are traceable to the entity’s accounting system as of the date noted on the payment cash request.</p> <p><i>Finding</i> – We traced the total expenditure amounts to the entity's records and confirmed the expenditures reported are traceable to the entity's accounting system as of the date noted on the PCR.</p>
(C)	(1)	<p>For the PCRs selected in section 1.1 (A)(1), select the related CSP federal draws from the State’s accounting system</p> <p><i>Finding</i> – Based on the above criteria, we selected 19 CSP federal draws, noting some draws contained multiple PCRs.</p>
	a)	<p>Obtain a copy of the draw documentation that has been scanned and attached to the deposit in the State’s accounting system.</p> <p><i>Finding</i> – We determined draw documentation was scanned and attached to the deposit in the State’s accounting system.</p>
	b)	<p>Obtain a copy of the general ledger that shows the draw (revenue) and corresponding vouchers (payments) to confirm funds were deposited and disbursed.</p>

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 9 of 14

		<p><i>Finding</i> – From the copy of the general ledger that shows the draw (revenue) and corresponding vouchers (payments), we confirmed funds were deposited and disbursed.</p>
	(2)	<p>Obtain a screen shot for the vouchers showing the “payment date” from the accounting system and compare the “treasurer approved date” on the deposit documentation with the related voucher’s “payment date”, the difference should be five days or less. The Auditor of State (AOS) uses the payment date to measure compliance with CMIA.</p> <p><i>Finding</i> – We compared the “treasurer approved date” on the deposit documentation with the related voucher’s “payment date” from the accounting system. We determined the difference was five days or less, with one exception. For deposit ID 2019201904214, the difference was six days.</p>
(D)	(1)	<p>Observe the Department’s federal draw policies and procedures to ensure accurate financial data is recorded, reported and properly authorized.</p> <p><i>Finding</i> – We observed the Department's federal draw policies and procedures to ensure accurate financial data is recorded, reported, and properly authorized.</p>
	(2)	<p>Use the CSP draws selected in (C) (1) above attached to the deposit in the State’s accounting system, and</p> <p><i>Finding</i> – Using the CSP draws we selected in (C) (1) above, and documentation attached to the deposit in the State's accounting system, we performed the following:</p>
	a)	<p>Inspect documents for completeness and compliance with document procedures.</p> <p><i>Finding</i> – We inspected documents for each draw and determined they were complete and in compliance with document procedures.</p>
	b)	<p>Inspect documents for appropriate authorization in accordance with the Department’s federal draw policies and procedures.</p> <p><i>Finding</i> – We inspected documents for each draw and determined there was appropriate authorization in accordance with the Department’s federal draw policies and procedures.</p>
	(3)	<p>Obtain a copy of the daily federal draw reconciliation for draws pulled after October 1, 2018 for the process review in step 2 above. Inspect for completeness and accuracy. Confirm that discrepancies were reported to the proper manager and issues were corrected.</p> <p><i>Finding</i> – We inspected the draws dated after October 1, 2018 and confirmed the daily federal draw reconciliations were complete and accurate, and, if applicable, discrepancies were reported and corrected.</p>

2. Monitoring and Performance

2.1 Subgrantee Monitoring

(A)	(1)	<p>Obtain a copy of the Department’s Charter School Program subrecipient listing. From the Charter School Program listing, select two of the subgrantees receiving the CSP grant for the first time.</p> <p><i>Finding</i> – From the Charter School Program listing, we selected two of the subgrantees receiving the CSP grant for the first time, Central Point Preparatory Academy, and Huber Heights Preparatory Academy (dba Parma Academy).</p>
	a)	<p>Confirm whether the Department imposed reimbursement as a specific subaward condition. (Reimbursement) Go to the school PCR Summary page within the CCIP.</p> <p><i>Finding</i> – We confirmed the Department imposed reimbursement as a specific subaward condition.</p>
	i.	<p>For the previously selected PCRs, determine if the schools submitted documentation with each Cash Request before request is approved.</p> <p><i>Finding</i> – For the previously selected PCRs, we determined the schools submitted documentation with each PCR before the request was approved.</p>
(B)	<p>Trace the two subgrantees selected in procedure 2.1 (A)(1), above, to the Department’s Compliance System and:</p> <p><i>Finding</i> – We traced the two subgrantees we selected in procedure 2.1 (A)(1) to the Department’s Compliance System, and we determined the following:</p>	
	(1)	<p>Document the status of the fall desk review or spring site visit.</p> <p><i>Finding</i> – Both the fall desk review and spring site visits were completed for the two subgrantees we selected.</p>
	(2)	<p>Confirm whether the monitoring protocol was followed in terms of identifying the universe/sample.</p> <p><i>Finding</i> – We confirmed the Department followed the monitoring protocol.</p>
	(3)	<p>Confirm whether a monitoring review was scheduled and completed.</p> <p><i>Finding</i> – We confirmed monitoring reviews were scheduled and completed for the two subgrantees we selected.</p>
	(4)	<p>Confirm whether the school uploaded the required support documentation as indicated in the Compliance system for each item for review.</p>

Independent Accountant’s Report on Applying Agreed-upon Procedures

Charter Schools Program

Monitoring Period: October 1, 2020 through September 30, 2021

Page 11 of 14

	<p><i>Finding</i> – We confirmed each of the schools uploaded the required support documentation as indicated in the compliance system for each item for review.</p>
(5)	<p>Confirm whether the monitoring review noted issues that require a Corrective Action Plan (CAP).</p> <p><i>Finding</i> – We confirmed the monitoring review did not note any issues requiring a Corrective Action Plan for the two subgrantees we selected</p>
(6)	<p>Confirm whether or not technical assistance was noted and/or provided during the review. If so, confirm there is evidence the technical assistance was completed.</p> <p><i>Finding</i> – We confirmed technical assistance was not noted nor provided for the two subgrantees we selected.</p>
(C)	<p>Select either one Year 2 Implementation or one Expansion subgrantee listed on the subrecipient list and trace from the copy of the annual financial report received to the Department’s Compliance System and</p> <p><i>Finding</i> – We selected one Year 2 Implementation subgrantee listed on the subrecipient list, Arts & College Preparatory Academy and traced from the copy of the annual financial audit received to the Department's Compliance System.</p>
(1)	<p>Confirm the Department received a copy of the annual financial audit and noted such within the Compliance system. If applicable, confirm the Department verified the Single Audit was submitted to the Federal Audit Clearinghouse.</p> <p><i>Finding</i> – As part of the fall desk review, the Department requires schools to submit a copy of their most recent financial audit. As of the time of the fall 2020 desk review, the most recently completed audit for the selected subgrantee was for the fiscal year ended June 30, 2019; however, the subgrantee did not upload their June 30, 2019 audit report to the Compliance system. In February 2021, the subgrantee uploaded a "draft" copy of their June 30, 2020 audit report. No Single Audit was required, so there were no submission to the Federal Audit Clearinghouse for the Department to verify.</p>
(2)	<p>Confirm whether audit findings were reported. If so confirm the Department identified financial (GAGAS) or Uniform Guidance findings accurately within the Compliance system and documented a management decision on the finding(s) and any necessary follow-up action.</p> <p><i>Finding</i> – For the selected subgrantee, there were no audit findings reported in either the June 30, 2019 or June 30, 2020 audit report.</p>
(3)	<p>Confirm whether a Corrective Action Plan was completed, if required. If a refund was required, confirm whether it was submitted.</p>

		<p><i>Finding</i> – For the selected subgrantee, there were no audit findings reported in either the June 30, 2019 or June 30, 2020 audit report, so no Corrective Action Plan was required</p>
(D)	(1)	<p><u>Process for Year 1 and Year 2 Implementation Subgrantees:</u> For the two subgrantees selected for procedure 2.1 (A)(1), above, inspect the fall desk reviews and spring site visits and:</p> <p><i>Finding</i> – For the two subgrantees selected for procedure 2.1 (A)(1), above, we inspected the fall desk reviews and spring site visits.</p>
		<p>a) Confirm whether the Department collected evidence from multiple sources (e.g., narratives, uploaded documentation, interviews, etc.) when completing the implementation rubric to confirm that the subgrantee is doing the following:</p> <p><i>Finding</i> – We confirmed the Department collected evidence from multiple sources when completing the implementation rubric.</p>
		<p>i. implementing the subgrantee activities as measured by the implementation rubric;</p> <p><i>Finding</i> – The Department confirmed each subgrantee was implementing the subgrantee activities as measured by the implementation rubric.</p>
		<p>ii. complying with agreed upon assurances in the grant;</p> <p><i>Finding</i> – The Department confirmed each subgrantee was complying with agreed upon assurances in the grant.</p>
		<p>iii. using financial controls to successfully manage the grant program; and,</p> <p><i>Finding</i> – The Department confirmed each subgrantee was using financial controls to successfully manage the grant program.</p>
		<p>iv. making progress in meeting grant goals and objectives.</p> <p><i>Finding</i> – The Department confirmed each subgrantee was making progress in meeting goals and objectives.</p>
		<p>b) Confirm whether the Department reviewed data in the implementation rubric to confirm the subgrantee:</p> <p>i. Parents of potential future students and other community members were involved in the planning program design of the school;</p> <p>ii. Informed the students in the community about the school;</p> <p>iii. The school’s management operates as described in the CSP application; and</p> <p>iv. Avoids apparent and actual conflicts of interest when administering the grant. Confirm whether the Department intervened with a formal follow-up action, if the Department identified deficiencies.</p>

		<p><i>Finding</i> – We confirmed the Department reviewed data in the implementation rubric during monitoring reviews to confirm each subgrantee:</p> <ul style="list-style-type: none"> i. Involved parents of potential future students and other community members in the planning program design of the school; ii. Informed the students in the community about the school; iii. The school’s management operates as described in the CSP application; and iv. Avoids apparent and actual conflicts of interest when administering the grant. We confirmed whether the Department intervened with a formal follow-up action, if the Department identified deficiencies.
--	--	---

2.2 Subgrantee Annual Grant Activities Report

(A)	(1)	Use the two subgrantees selected for procedure 2.1 (A)(1), above. Obtain the Department’s written directions and guidance to subgrantees about annual grant activities reports
	a.	<p>Confirm whether the grant monitoring reports were submitted timely, in accordance with the Department’s requirements, by the subgrantee.</p> <p><i>Finding</i> – For the two subgrantees we selected for procedure 2.1(A)(1), we confirmed the grant monitoring reports were submitted timely, in accordance with the Department's requirements.</p>

2.3 Department Performance Reports

(A)	(1)	Obtain the Department’s procedures regarding submitting performance reports and semiannual reports to USDoE, and for submitting the WestEd Data Collection form to WestEd.
	(2)	Obtain copies of each submitted report.
	a)	<p>Confirm whether the Department has processes and procedures in place to ensure that the submitted report is accurate and complete.</p> <p><i>Finding</i> – We confirmed the Department has written processes and procedures in place to ensure that submitted reports are accurate and complete.</p>
	b)	<p>Confirm whether each report was submitted timely (extensions considered).</p> <p><i>Finding</i> – The two semi-annual reports due during this monitoring period were submitted timely. The Annual Performance Report was submitted timely. The two WestEd Data Collection Forms due during this monitoring period were submitted timely.</p>
	c)	<p>Confirm whether each report included all required information.</p> <p><i>Finding</i> – We confirmed each report included all required information.</p>

We were engaged by ODE to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and applicable attestation standards in the Comptroller General of the United States' Government Auditing Standards. We were not engaged and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on (1) subgrant recipient claims and payments, and (2) monitoring and performance for the Charter Schools Program for the monitoring period October 1, 2020 through September 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ODE and to meet our other ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of ODE, the Ohio Auditor of State, and the U.S. Department of Education, and this report is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
March 1, 2022