



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services
Sacramento Region

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June 17, 2009

Dr. Maria Mejorado
Director, High School Equivalency Program
California State University, Sacramento
6000 J Street, Eureka Room 404
Sacramento, California 95819-6079

Dear Dr. Mejorado:

This letter advises you of the results of our review of the Migrant Education High School Equivalency Program (HEP) at California State University, Sacramento (CSUS). We initiated an audit to determine whether CSUS had adequate policies and procedures for ensuring that only eligible students participate in the HEP in accordance with applicable laws, regulations, and grant provisions. We began our work by gaining an understanding of the internal controls for ensuring only eligible students received services. Our review covered the final 2 grant years (2007-2008 and 2008-2009) of a 5-year grant ending in June 2009.

The Migrant Education HEP is authorized under the Higher Education Act of 1965 (HEA), as amended (HEA, Title IV, § 418A; 20 U.S.C. 1070d-2). The HEP helps migratory and seasonal farm workers (or children of such workers), who are 16 years of age or older and not currently enrolled in school, to obtain the equivalent of a high school diploma and, subsequently, to gain employment or begin postsecondary education or training. Services to HEP participants include outreach to eligible individuals, assistance with placement at an institution of higher education (university/college, community college), enlistment for military service, help finding employment, weekly stipends, and exposure to educational and cultural activities not usually available to migrant or seasonal farm workers.

To accomplish our review objectives, we interviewed CSUS administrators and HEP officials, reviewed available documentation, and gained an understanding of (1) organizational structure and program history, (2) policies and procedures for determining and documenting student eligibility (grant years 2007-2008 and 2008-2009 as of the time we performed our work), and (3) policies and procedures for compiling the number of students served and reported in its 2007-2008 annual performance report (APR) to the U.S. Department of Education's (ED) Office of Migrant Education (OME).

To gain an understanding of how CSUS-HEP implements applicable policies and procedures, we reviewed available records for 14 students. Specifically, our review of these student records was performed to determine whether student eligibility was appropriately documented. We did not interview the students to verify whether the information provided in the student records was accurate. Of the 10 students selected from grant year 2007-2008, we found two ineligible students. One of the two students we deemed ineligible attended class even though the recruiter verbally told the student she was not eligible. The other student attended one class without his

eligibility being determined beforehand and did not return to class. Of the four students selected from grant year 2008-2009, we found one ineligible student. Classroom records indicated this ineligible student attended six classes at one of the program's collaborative sites,¹ yet the HEP office did not have a student file for this student. We found no evidence that HEP paid for GED testing for this student. In all three cases, we determined the students were ineligible because CSUS could not provide documentation supporting their eligibility to participate in the HEP. Additionally, instructors did not follow existing policies and procedures and allowed students to attend class without first confirming the students were eligible to participate in the HEP.

Based on our limited review, we concluded that CSUS-HEP's written policies and procedures related to student eligibility for grant years 2007-2008 and 2008-2009 generally were consistent with Federal laws and regulatory requirements. However, we noted weaknesses in the implementation of CSUS-HEP's 2007-2008 policies and procedures for determining and documenting student eligibility that resulted in some students receiving services either before their eligibility was determined or without their eligibility ever being determined.

Under a new director, CSUS-HEP has taken corrective actions to improve controls and accountability in grant year 2008-2009. The HEP Director has taken steps to strengthen policies and procedures that include supervisory review of eligibility documentation, improved employment verification procedures, guidance and in-service training for class instructors, and improved notification procedures to ensure that only eligible students are allowed to attend class.

During our review, we brought several areas to the attention of CSUS-HEP officials in which they could further strengthen controls to better assure that only eligible students receive HEP services:

- Need to re-review student files for continuing students who entered the program before 2008-2009 to confirm student eligibility was determined and documented since the current procedures are only being applied to new and re-entering students;
- Need for more detailed documentation of student eligibility to support the fact that each qualifying worker was employed in agriculture for a minimum of 75 days in the last 24 months (rather than merely documenting starting and ending months);
- Need to ensure that CSUS-HEP's new definition for financial need is implemented and financial need is considered when determining student eligibility.

We provided our results, including the noted control weaknesses, to OME officials on March 16, 2009. To ensure that corrective actions are implemented properly, we suggested OME conduct a monitoring review within the first year if a new grant is awarded to CSUS-HEP.

Our review also noted that CSUS-HEP relied on a manual process to compile the number of students served and reported in the 2007-2008 APR. The student list supporting the 2007-2008

¹ CSUS-HEP has three collaborative sites that serve both HEP and non-HEP students. CSUS-HEP does not pay for class instructors at these sites, and only pays for GED testing for HEP-eligible students. Although subject to the same intake policies and procedures as other sites, CSUS-HEP has little control over class admittance because of the funding arrangement. CSUS-HEP officials stated they continue to work with the collaboratives to ensure that HEP policies and procedures are adhered to.

APR data also identified 93 students who attended class and for whom the HEP office did not have a file. While these students were appropriately excluded from the reported number of students served, the absence of a file suggests that the student's eligibility was not determined or documented and that additional ineligible students may have received HEP services in school year 2007-2008. We suggested CSUS-HEP develop a student data system to centralize student information and classroom site information and to track the number of hours of instruction each student receives in order to support the number of students served, as reported on the APR.

Other than the internal control issues described above, nothing came to our attention during the course of our review which would lead us to believe CSUS did not comply with applicable Federal laws and regulations. Consequently, we have terminated our audit. However, we may conduct further reviews at some future date.

Although our review work was thorough, the work we performed was not sufficient to constitute an audit of CSUS and is not a substitute for any required audits. Our review was made only for the limited purposes described above and would not necessarily disclose all material weaknesses in CSUS' procedures. Accordingly, the contents of this letter should not be construed as acceptance or approval of CSUS' practices and procedures.

We conducted this performance audit in accordance with generally accepted government auditing standards appropriate to the scope of the review described above. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We wish to express appreciation for the cooperation and assistance extended by your staff during the review. Should you have any questions regarding this review, please contact me at (916) 930-2399. No response to this letter is required.

Sincerely,

/s/ Karen E. Lyons for:

Raymond Hendren
Regional Inspector General for Audit

Electronic cc:

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