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OFFICE OF THE STATE COMPTROLLER

December 18, 2001

Mr. Harold O. Levy
Chancellor
New York City Board of Education
110 Livingston Street
Brooklyn, New York 11201

Re: Report 2001-F-16

Dear Mr. Levy:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III, Section 33 of the General Municipal Law, we have reviewed the actions taken by officials of the New York City Board of Education (Board) as of October 22, 2001, to implement the recommendations contained in our audit report, *New York City Board of Education - Accuracy of Selected School Data* (Report 98-N-2). Our report, which was issued on December 23, 1999, reviewed the accuracy of selected school data compiled by the Board

Background

The State Education Department (Department) obtains extensive data from the approximately 700 school districts throughout the State. The Department compiles this data and uses it to measure school performance, calculate State aid payments, and monitor school spending. This data includes the statistics relating to students attendance, enrollment, free and reduced price meals and standardized test scores. If the Department is to oversee school operations effectively, schools must submit accurate and reliable data to be included in these reports.

With a responsibility for the education of approximately 1.1 million students, the Board oversees the largest school system in the nation. These include about 550,000 students attending public schools encompassing grades kindergarten through grade 5, about 200,000 students attending grades 6 through 8 in intermediate schools and approximately 300,000 high school students in grades 9 through 12.

Summary Conclusions

In our prior audit, we identified several improvement opportunities in the Board's collection of certain key data, including student attendance, enrollment, test scores and free and reduced-price meal information. We also found a risk that internal controls at the Board and at the schools do not provide adequate assurance that reported data is accurate and reliable.

In our follow-up review, we found that the Board officials have made progress in implementing the recommendations contained in our audit report. For example, the Board had reviewed their attendance recording procedures and made improvements. Improvements had also been made in controlling the test booklets distributed for standardized student tests.

Summary of Status of Prior Audit Recommendations

Of the eight prior audit recommendations, Board officials have implemented three recommendations, partially implemented three recommendations and have not implemented two recommendations.

Follow-up Observations

Recommendation 1

As part of the risk assessment process of the Bureau of Attendance, consider the attendance data differences at the schools that we visited. For any reviews at the schools we visited that had differences, follow up to determine what, if any, corrective steps may be necessary.

Status - Implemented

Agency Action - All 11 schools for which problems were reported in the original report were reviewed since the time of our audit and reports on their attendance procedures were prepared. The reports indicated that past and present corrective measures were taken when warranted.

Recommendation 2

Provide schools with specific direction on control procedures to follow to routinely verify that automated attendance records properly reflect authorized attendance transactions.

Status - Partially Implemented

Agency Action - As of February 2000, high school attendance records were moved to the Automate The Schools computer system that is intended to facilitate record-keeping, tracking, review and control of all attendance transactions. A memorandum defining and clarifying procedures was disseminated prior to February 2000. However, the new system has yet to

generate the audit trail that is necessary to properly monitor attendance and review attendance reversals.

Recommendation 3

Continue with plans to eliminate the WCL.

Status - Not Implemented

Agency Action - While Board officials continue to disagree with this recommendation, they stated that they reviewed the use of the Working Class List (WCL). The result of the review supported their original position that the WCL is not an official document and is used as a back-up attendance document for teachers.

Recommendation 4

Share the student test erasure analysis technique with the State Education Department so that this best practice can be shared, as appropriate, with other districts in the State.

Status - Implemented

Agency Action - Board officials reported that erasure analysis techniques were discussed with the Director of Assessment of the Department. Our discussions with Department personnel indicated that the information provided by Board personnel has been helpful in expanding these erasure analysis techniques throughout the State.

Recommendation 5

Establish procedures requiring that, once machine-processed examinations are completed by students, answer sheets are provided for further processing to someone other than the students' teachers.

Status - Not Implemented

Agency Action - Board officials continue to disagree with this recommendation and believe that other controls that are in place substitute for this recommendation.

Recommendation 6

Account for all undistributed test booklets as well as those which are distributed and received.

Status - Partially Implemented

Agency Action - Board officials reported that the warehouse staff has developed an inventory program that keeps track of the test booklets when they are received and after they are

packaged for shipment. They are in the process of using a more sophisticated program inventory that will not only help to keep the inventory more up to date, but will allow sorting and reporting inventory in various reports. In addition, each school returns a signed packing slip that verifies the number of test booklets that were received by the school. Board officials still do not reconcile the undistributed test booklets to the totals received and distributed.

Recommendation 7

Monitor and reinforce the requirement that schools deliver completed tests, as well as the Deputy and Proctor Certificates to the CSD by the specified time.

Status - Implemented

Agency Action - The schools are now required to send the signed log sheets from the test booklet carrier to their respective Community School District (CSD). The CSD then FAX the log sheets to the Test Administration Center where the time and date of the test booklets' submission is logged in. Our review of indicated these test booklets were, in fact, returned by the required time.

Recommendation 8

Provide additional instructions to school administrators that they must review carefully and categorize correctly free and reduced-price meals applications.

Status - Partially Implemented

Agency Action - Meetings have been held to instruct officials in 12 CSDs on the proper review and categorization of the applications. Officials from the Board's Central Office have recently decided that additional intervention is required.

Major contributors to this report were Orin Ninvalle and Tom Trypuc.

We appreciate continuing to receive updates indicating any actions planned or taken to address any unresolved matters discussed in this report. We also thank the management and staff of the Board for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Jerry Barber
Audit Director

cc: Jess Fardella