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# State of Idaho Legislative Services Office

## STATE DEPARTMENT OF EDUCATION SPECIAL REPORT ANNUAL FOLLOW-UP FISCAL YEARS 2019 AND 2020

Date Issued: March 29, 2023

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On October 8, 2021, the Legislative Services Office released a special report for the State Department of Education (Department) for the fiscal years ending June 30, 2019, and 2020. The Department was contacted on January 20, 2022, and based on a review of the Department's completed corrective action, Finding 1 was reported as partially corrected, and Finding 2 was reported as corrected. We contacted the Department again on March 3, 2023, and this report addresses how it has responded to the Department's partially corrected finding and recommendation in the report.

### **FINDING 1**

The review and approval of the Student Transportation Services contracts are not adequately or consistently performed and documented to ensure compliance with Idaho Code, Section 35-1510.

**We recommended that the Department design and implement documented internal controls to ensure contracts are properly reviewed to an appropriate level of detail to identify inappropriate costs and are in compliance with Idaho Code.**

### **AUDIT FOLLOW-UP**

The Department has implemented a process to document the review and approval of the Student Transportation Services contracts to ensure compliance with Idaho Code. As part of our review, we examined the Department's formal letters (33-1510 Contract Notice Letter - Reviewed; 33-1510 Contract Notice Letter - Align with SDE Model; 33-1510 Contract Appeal Letter) that were approved by the Idaho Attorney General and the Superintendent of Public Instruction.

Since the report issuance date, there have been twelve (12) pupil transportation contracts submitted to the Department. Based on our review of a sample of four (4) contracts, we determined that internal controls were properly implemented, and contracts were properly reviewed and approved by appropriate personnel and are in compliance with Idaho Code, Section 35-1510. We have determined that the Department has sufficiently addressed the finding.

**STATUS** – Corrected

### **FINDING 2**

The review and approval of school bus spot inspection final letters is not consistently performed and documented.

**STATUS** – Corrected in the 90-day follow up report issued on January 20, 2022