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January 27, 2022

Performance Audit  
Recommendations and  
Corrective Actions for Audit:  
21-03

K-12 SCHOOLS:

More Students Attending Vermont  
Approved Independent [Private]  
Schools and Fewer Attending Out-  
of-State Schools at Public Expense

Dated: March 30, 2021

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# Overview

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The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Rec #	Recommendation	Follow-Up Date	Status	Review Comments
1	Annually send a communication to the school districts reminding them about the statutory requirements pertaining to tuition to be paid to Vermont approved independent schools, including the prohibition on paying tuition to such schools that provide distance learning.	2022	Partially Implemented	On October 4, 2022, AOE notified superintendents that districts can only pay tuition to certain types of schools. The notice did not mention the prohibition of tuition payments to approved distance learning schools contained in 16 V.S.A. §166(b)(6). The last time AOE notified superintendents of the restrictions on paying tuition to distance learning schools was in early 2017.
		2024		The three-year recommendation follow-up for this audit will be conducted in 2024.
2	Modify the applications for approval of independent schools to include an assertion that the school is checking with the Child Protection Registry and the Vulnerable Adult Abuse, Neglect, and Exploitation Registry as required by statute.	2022	Implemented	AOE adopted an addendum for independent school applications that includes an attestation that the school complies with the requirements of 16 VSA §255 regarding registry checks.
		2024		No further follow-up is required because the recommendation was implemented.
3	Review whether a NEASC accredited independent school seeking approval or renewal of approval status has a curriculum meeting the requirements in 16 V.S.A. §906.	2022	Not Implemented	AOE stated that this is addressed by the new Rule Series 2200 and Rule 7320 but these do not address checking whether an accredited school's curriculum meets the requirements of 16 V.S.A. §906.
		2024		The three-year recommendation follow-up for this audit will be conducted in 2024.
4	Inform the State Board if an independent school requesting approval or seeking renewal of approval status has weaknesses related one or more criterion for approval contained Rule 2226 and/or has outstanding recommendations from NEASC.	2022	Implemented	AOE now provides additional materials to the Board, such as NEASC's letter to the school or the report of AOE's site visit. Examples of this can be seen in the Board's meeting papers on AOE's website.
		2024		No further follow-up is required because the recommendation was implemented.
5	Establish procedures to ensure that it submits recommendations to the State Board regarding the renewal of independent school's approval no later than five years after the beginning date of the last approval period.	2022	Not Implemented	AOE provided no evidence of new procedures that would support timely submission of recommendations to the State Board.
		2024		The three-year recommendation follow-up for this audit will be conducted in 2024.
6	Modify census and Statbook instructions to specify how LEAs should report their enrollment and financial data for schools in interstate school districts.	2022	Not Implemented	AOE stated that it has not changed the instructions, but that they will be changed for the fiscal year 2023 collection.
		2024		The three-year recommendation follow-up for this audit will be conducted in 2024.
7	Establish and conduct procedures to annually review and ensure the accuracy and consistency of Statbook and SW-1 Tuition Worksheet data.	2022	Not Implemented	AOE did not provide any evidence that it has established procedures to improve the accuracy and consistency of the Statbook and SW-1 data.
		2024		The three-year recommendation follow-up for this audit will be conducted in 2024.