



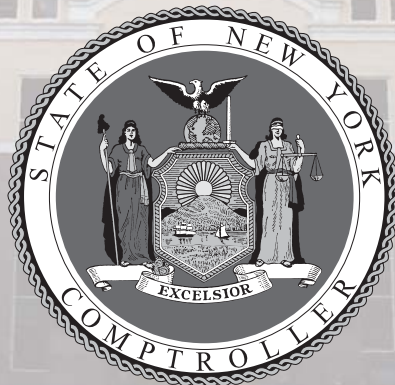
True North Rochester Preparatory Charter School – West Campus Employee Fingerprinting

Report of Examination

Period Covered:

July 1, 2011 — August 5, 2013

2013M-286



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

January 2014

Dear School Officials:

A top priority of the Office of the State Comptroller is to help school officials manage their schools efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support school operations. The Comptroller oversees the fiscal affairs of charter schools statewide, as well as their compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and School governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard School assets.

Following is a report of our audit of the True North Rochester Preparatory Charter School – West Campus, entitled Employee Fingerprinting. This audit was conducted pursuant Article V, Section 1 of the State Constitution, and the State Comptroller’s Authority as set forth in Section 2854[1][c] of the Education Law as amended by Chapter 101 of the Laws of 2010.

This audit’s results and recommendations are resources for school officials to use in effectively managing operations and in meeting the expectations of taxpayers, students and their parents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

A charter school is a public school financed by local, State and Federal resources that is not under the control of the local school board and is governed under Education Law Article 56. Charter schools have less legal operational requirements than traditional public schools. Most of a charter school's requirements are contained in its by-laws, charter agreement, fiscal/financial management plans and the *Financial Oversight Handbook* for those schools that are authorized by the State University of New York (SUNY).

The True North Rochester Preparatory Charter School – West Campus (School), located in the City of Rochester, is governed by the Board of Trustees (Board), which comprises nine members. The School contracts with a charter management organization (CMO) for overall financial management and bookkeeping services. The Chief Operating Officer oversees all of the School's operations including financial operations. The day-to-day financial activities are conducted by the Director of Operations.

The School was established in 2011 under SUNY authorization and provides elementary education to approximately 170 students in the fifth and sixth grades. The School's operating expenses for the fiscal year ended June 30, 2012 were approximately \$1.5 million. These expenses were funded primarily with revenues derived from billing area school districts¹ for resident students and from certain State and Federal aid attributable to these students.

Objective

The objective of our audit was to examine the School's fingerprinting practices. Our audit addressed the following related question:

- Did School personnel fully comply with Education Law regarding fingerprinting of School employees and independent contractors who are expected to have direct contact with students?

Scope and Methodology

We examined the School's fingerprinting practices for the period July 1, 2011 through August 5, 2013.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.

¹ The School bills various local school districts tuition charges to provide educational services to students residing in the respective districts.

**Comments of School
Officials and Corrective
Action**

The results of our audit and recommendation have been discussed with School officials and their comments, which appear in Appendix A, have been considered in preparing this report. Except as specified in Appendix A, School officials generally agreed with our recommendation and indicated they planned to take corrective action. Appendix B includes our comment on an issue raised in the School's response.

The Board has the responsibility to initiate corrective action. We encourage the Board to prepare a plan of action that addresses the findings and recommendations in this report, and to forward the plan to our office within 90 days. For more information on preparing and filing your Corrective Action Plan (CAP), please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Secretary's office.

Employee Fingerprinting

To protect the safety and well-being of students, Education Law (Law) requires that all employees and independent contractors who have direct contact, or whom the charter school reasonably expects to provide services that involve direct contact (i.e., face-to-face communication or in-person interaction), with students under the age of 21 must undergo a fingerprint-supported criminal history background check. In addition, the SUNY Charter School Institute has issued fingerprinting guidance which states that all CMO staff who are present in a charter school when children are present must be fingerprinted. The Law requires the fingerprint-supported criminal background checks to be filed with the New York State Education Department's Office of School Personnel Review and Accountability (OSPRA), which then provides the charter school with certification clearing the individual for employment. If an individual is arrested subsequent to providing fingerprints to OSPRA, the New York State Division of Criminal Justice Services will provide notice of the arrest to OSPRA. OSPRA then notifies the charter school of the individual's name, the arresting agency, the date of arrest and the court jurisdiction. Individuals previously fingerprinted may not need to be fingerprinted again when seeking employment at another school. However, officials must request an updated clearance for the prospective employee/individual to ensure that OSPRA's records are current and the employee/individual is cleared to work at a new or additional location. If a charter school fails to file the appropriate employee background checks and updated clearance requests with OSPRA, the charter school would not be notified of an arrest, either prior or subsequent to the employee's hire, which may compromise the safety of students.

We found that the School did not consistently comply with the Law and guidance regarding fingerprint-supported criminal background checks. The School has a policy entitled "Fingerprint Process" in its *Onboarding Guide*, which stated that "All school employees must be fingerprinted before they are authorized to work in a school in New York State." We requested documentation to support that all adults working on site have been properly fingerprinted. Two² of the 25 workers tested did not have complete background checks performed prior to working at the School. For one worker, School officials did not obtain clearance specifically for their School. A School official told us that, because the worker was previously cleared at another charter school, School officials believed they did not have to obtain

² Both were employees of the CMO.

clearance. In addition, the former CEO did not have fingerprint records on file with OSPRA at the time of our testing. Fingerprint records were obtained subsequent to our request and we were provided documentation that, on June 14, 2013, the former CEO's fingerprints were filed with OSPRA and cleared.

Because School officials did not comply with the Law and applicable guidance, and obtain the required background checks or notify OSPRA that these persons were providing services at the School, the School risked not being notified should an individual's status on the list change and potentially could have put the welfare of students in jeopardy.

Recommendation

1. School officials should ensure they notify OSPRA and obtain and maintain all necessary documentation for the required fingerprint-supported criminal background checks on persons required to be fingerprinted.

APPENDIX A

RESPONSE FROM SCHOOL OFFICIALS

The School officials' response to this audit can be found on the following pages.

December 16th, 2013

[REDACTED]
Principal Examiner
Division of Local Government and School Accountability

Office of the State Comptroller
The Powers Building
16 West Main Street - Suite 522
Rochester, New York 14614

[REDACTED]

We have reviewed the Report of Examination issued at the conclusion of the Office of the State Comptroller's audit of True North Rochester Preparatory Charter School- West Campus (Rochester Prep West Campus.) We are pleased that the audit found no deficiencies in controls in the areas of general governance, financial oversight and condition, cash receipts and disbursements, purchasing, payroll or information technology. The School appreciates the affirmation that we have sufficient systems of controls to limit risk exposure in these areas.

The objective that the audit identifies is listed in the report as being: "Did School personnel fully comply with Education Law regarding fingerprinting School employees and independent contractors who are expected to have direct contact with students?"

Our understanding of Education Law is that it requires, as the report also quotes, "All employees and independent contractors who have direct contact, or whom the charter school reasonably expects to provide services that involve direct contact (i.e., face-to-face communication or in-person interaction), with students under the age of 21 must undergo a fingerprint-supported criminal history background check."

All Rochester Prep employees who have direct contact with students are required to undergo a fingerprint-supported background check, and the audit did not identify any Rochester Prep- West Campus employees who have direct contact with students who were not so qualified.

The two individuals identified by the audit as not having been sufficiently cleared are not school employees and do not have direct contact with students. In addition, both individuals had previously received "clean" fingerprint-supported background checks while employees of other schools within the Uncommon Schools network.

See
Note 1
Page 10

In the future, we will continue to ensure that school officials notify OSPRA and obtain and maintain all necessary documentation for the required fingerprint-supported criminal background checks on persons required to be fingerprinted.

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F: 585 436 5985

Rochester Prep Middle School - West Campus
1020 Maple Street
Rochester, NY 14611
T: 585 368 5090
F: 585 368 5091

www.rochesterprep.org

We place the highest priority on the safety of our students and staff and will continue to implement policies and procedures that support those goals and maintain our ongoing compliance with Education Law around fingerprint clearance as well as other safety-related requirements.

Sincerely,

Geoff Rosehbergér
Chair, Board of Trustees
Rochester Prep

APPENDIX B

OSC COMMENT ON THE SCHOOL'S RESPONSE

Note 1

The School must also comply with fingerprinting guidance issued by the SUNY Charter School Institute. This guidance requires that all CMO staff in the School when children are present must be fingerprinted and/or cleared by OSPRA.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

We performed an initial assessment of internal controls so that we could design our audit to focus on areas most at risk. Our initial assessment included evaluations of the following areas: general governance, financial oversight and condition, cash receipts and disbursements, purchasing, payroll and information technology.

During the initial assessment, we interviewed School officials, performed limited tests of transactions and reviewed pertinent documents, such as policies, procedures manuals and financial records and reports. After reviewing the information gathered during our initial assessment, we determined where weaknesses existed and evaluated those weaknesses for the risk of potential fraud, theft and/or professional misconduct. Based on that evaluation, we determined that controls appeared to be adequate and limited risk existed in most of the financial areas we reviewed. We then decided upon the reported objective and scope by selecting for audit the area most at risk. We selected employee fingerprinting for further audit testing. Our review included the following:

- We requested a list of all employees and any staff from the CMO and any other company that worked on site when children were present. We were provided with a list of 22 employees and three additional people who were not employees but had occasion to work on site when children were in school.
- We verified that fingerprinting records were available for 100 percent of employees as well as the three additional people, although the information for one of these individuals was not obtained until after our initial request for the documentation.
- We asked if there were any staff personally known or related to the person that maintains the records to reduce potential fraud risk to low.
- We requested and reviewed the School's policy on fingerprinting.
- We reviewed laws governing fingerprint testing requirements.

We conducted this performance audit in accordance with GAGAS. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX D

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