

**CLEVELAND SCHOLARSHIP AND TUTORING PROGRAM
ISLAMIC ACADEMY SCHOOL OF ARTS AND SCIENCES**

SPECIAL AUDIT REPORT

JULY 1, 1996 THROUGH JUNE 30, 1999

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**SCHEDULE OF ADMINISTRATIVE PERSONNEL
AS OF JUNE 30, 1999**

Cleveland Scholarship and Tutoring Program:

Saundra Draper Berry - Director

Myesha R. Atley - Assistant Director

Bert L. Holt - Former Director

Islamic Academy School of Arts and Sciences:

Gerald C. Henley - School Board Chairman

Fajr Al-Amin - Principal

Uthman Abdul Quddus - Superintendent

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REPORT OF INDEPENDENT ACCOUNTANTS

Ms. Sandra Draper Berry, Director
Cleveland Scholarship and Tutoring Program
Lausche Building, 5th Floor
615 W. Superior Avenue
Room No. 535
Cleveland, Ohio 44113

Pursuant to our letter of arrangement dated August 24, 1999, we have conducted a Special Audit and performed the procedures summarized below, and detailed in our "Supplement to the Special Audit Report", which were agreed to by you, for the period July 1, 1996, through June 30, 1999 ("the Period"). These procedures were performed solely to determine whether students who were issued vouchers by the Cleveland Scholarship and Tutoring Program ("the Program") to attend the Islamic Academy School of Arts & Sciences ("IASAS") actually attended classes there and to determine whether the IASAS complied with registration and other requirements of the Ohio Revised Code related to Alternative Schools (Ohio Rev. Code Section 3313.97) and the "pilot project scholarship program". This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose. The procedures we performed are summarized as follows:

1. We reviewed voucher payment records, attendance records, and other reports and records related to vouchers issued to the parents of students who were to attend the IASAS to determine whether those students actually attended classes there.
2. We reviewed the requirements of the Ohio Revised Code related to Alternative Schools (Ohio Rev. Code Section 3313.97) and the "pilot project scholarship program" to determine whether the IASAS complied with registration and other requirements.

3. On July 29, 1998, we held an exit conference with the following:

Dr. Steven Puckett, Assistant Superintendent, Ohio Department of Education
Ms. Saundra Draper Berry, Director, Cleveland Scholarship and Tutoring Program
Mr. Roger S. Carroll, Assistant Attorney General, Ohio Attorney General's Office
Mr. Gerald C. Henley, Board President, Islamic Academy School of Arts & Sciences

The attendees were given an opportunity to respond to this Special Audit. We received responses from Ms. Saundra Draper Berry on behalf of the Cleveland Scholarship and Tutoring Program, Mr. Gerald C. Henley, on behalf of the Islamic Academy School of Arts & Sciences, and Mr. Robert A. Roesch on behalf of Americab Inc. We critically reviewed all responses, evaluated the information and supporting documentation contained in the responses, and made changes we deemed appropriate.

Our detailed procedures and the results of applying these procedures are contained in the attached "Supplement to the Special Audit Report". Because these procedures do not constitute an examination conducted in accordance with generally accepted auditing standards, we do not express an opinion or limited assurance on any of the accounts or items referred to above. Also, we express no opinion on the Program's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.

This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of the Program, taken as a whole.

This report is intended for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

JIM PETRO
Auditor of State

September 9, 1999

APPLICABLE AUTHORITY

Ohio Revised Code

1. Ohio Rev. Code Section 3313.976 (A) - Registration of Schools requires the following:

No private school may receive scholarship payments pursuant to section 3313.979 of the Revised Code until the chief administrator of the private school registers the school with the superintendent of public instruction. The state superintendent shall register any school that meets the following requirements:

- (1) The school is located within the boundaries of the pilot project school district;
 - (2) The school indicates in writing its commitment to follow all requirements for a state sponsored scholarship program specified under sections 3313.974 to 3313.979 of the Revised Code, including, but not limited to, the requirements for admitting students pursuant to section 3313.977 of the Revised Code;
 - (3) The school meets all state minimum standards for chartered nonpublic schools in effect on July 1, 1992, except that the state superintendent at the superintendent's discretion may register nonchartered nonpublic schools meeting the other requirements of this division;
 - (4) The school does not discriminate on the basis of race, religion, or ethnic background;
 - (5) The school enrolls a minimum of ten students per class or a sum of at least twenty-five students in all the classes offered;
 - (6) The school does not advocate or foster unlawful behavior or teach hatred of any person or group on the basis of race, ethnicity, national origin, or religion;
 - (7) The school does not provide false or misleading information about the school to parents, students, or the general public;
 - (8) The school agrees not to charge any tuition to low-income families participating in the scholarship program in excess of ten percent of the scholarship amount established pursuant to division (C)(1) of section 3313.978 of the Revised Code, excluding any increase described in division (C)(2) of that section. The school shall permit any such tuition, at the discretion of the parent, to be satisfied by the low-income family's provision of in-kind contributions or services.
2. Ohio Rev. Code Section 3313.979 requires each scholarship to be used for payment to a registered private school be payable to the parents of the student entitled to the scholarship.
 3. Ohio Rev. Code Section 3313.979 (A)(2) requires that scholarship payments to parents and to schools "...shall be proportionately reduced in the case of any such student who is not enrolled in a registered private school for the entire school year."
 4. Ohio Rev. Code Section 3321.03 states, "Every child of compulsory school age shall attend a school or participate in a special education program that conforms to the minimum standards prescribed by the state board of education..."

5. Ohio Rev. Code Section 3321.07 states, "If any child attends upon instruction elsewhere than in a public school such instructions shall be in a school which conforms to the minimum standards prescribed by the state board of education."
6. Ohio Rev. Code Section 117.18 (A) states, "The auditor of state and any employee designated by the auditor of state may, in the performance of any audit, issue and serve subpoenas and compulsory process or direct service thereof by a sheriff or constable, compel the attendance of witnesses and the production of records..."

Ohio Attorney General Opinion

1959 OAG 284 states, "Pupil attendance at an elementary school which fails to meet minimum standards for elementary schools set by the state board of education is not such school attendance as is required by RC Ch 3321."

Administrative Rules

1. Administrative Rule Section 3301-35-08 requires a non-chartered, non-tax supported school to "... annually certify in a report to the parents of its pupils that the school meets minimum standards for non-chartered, non-tax supported schools..."
2. Administrative Rule Section 3301-35-08 (D) requires teachers and administrators of non-chartered, non-tax supported schools to have received a bachelor's degree or equivalent thereof from a recognized college or university.
3. Administrative Rule Section 3301-35-08 (G) states, "Each non-chartered, non-tax supported school shall comply with state and local health, fire, and safety laws."

Contract for Transportation between Cleveland City School District and Americab, Inc.

The contract for transportation between the Cleveland City School District and Americab, Inc. Exhibit A - VI (1) titled "Rate Structure for Taxi Cab Service", sets the cost per student per ride at \$2.47.

Contract for Lease between Cleveland City School District and IASAS

The lease agreement between the Cleveland City School District and IASAS paragraph (5), titled "Rental; Utilities" states, "Tenant shall arrange for installation, maintenance, billing and payment for all desired utility services for the Leased Premises, including, but not limited to telephone service, natural gas, and electricity."

Assurance of Compliance

1. The Assurance of Compliance Section (A) states, "The school currently meets and will continue to meet...all applicable State Minimum Standards for chartered nonpublic schools in effect July 1, 1992;"
2. The Assurance of Compliance Section (G) states, "The school will not charge more than 10% of scholarship amount to low income students, ...;"
3. The Assurance of Compliance Section (J) states, "The school agrees to provide additional information on scholarship students as needed for the purposes of evaluating and implementing the programs and substantiating student enrollment and eligibility."

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

Ohio Rev. Code § 3313.975(A) requires the superintendent of public instruction to establish a pilot project scholarship program. This program “shall include any school districts that are or have ever been under federal court order requiring supervision and operational management of the district by the state superintendent. The program shall provide for a number of students residing in any such district to receive scholarships to attend alternative schools, and for an equal number of students to receive tutorial assistance grants while attending public school in any such district.” The Cleveland City School District qualified, pursuant to this section, to be included in the program which resulted in the inception of the Cleveland Scholarship and Tutoring Program (“the Program”).

To be eligible to receive scholarships under the Program, students must reside within the boundaries of the Cleveland City School District and their parents must meet certain income requirements. The scholarships awarded are equal to 90% (up to a maximum of \$2,250) of the tuition amount charged by the chosen alternative school for students whose family income was equal to or less than 200% of the poverty level, based on family size. All scholarship recipients whose family income is equal to or greater than 200% of the poverty level, could receive scholarships equal to 75% of the tuition amount charged by the chosen alternative school (up to a maximum of \$1,875).

Any alternative school located within the boundaries of the Cleveland City School District is eligible to receive scholarship payments from parents if it has registered with the superintendent of public instruction and has agreed to follow the requirements set forth in Ohio Rev. Code § 3313.976. One of those requirements is that the school must agree not to charge any tuition to low-income families participating in the scholarship program in excess of ten percent (10%) of the tuition amount (10% of \$2,500).

The Cleveland City School District transported some of the voucher students to their chosen alternative schools by district school buses. Other voucher students were transported to their chosen alternative schools by taxi cabs which were paid for by the Program. Americab Inc., the taxicab company which provided those services to the Program, indicated they would invoice the Program for all the students assigned to the taxis and adjust their billing after the Program reviewed the attendance records and identified the students on Americab's invoices who were absent for that day. Charges by the taxicab company were \$2.47 per student, one way, plus \$1.49 per mile.

According to its web site, the Islamic Academy School of Arts and Sciences (IASAS) is “an elementary and secondary educational program sponsored by the Islamic International Women's League Foundation, Inc., a non-profit 501(c)(3) organization, founded in 1992, and located in urban Cleveland, Ohio. IASAS began in September 1995 and meets compliance with the State of Ohio Department of Education for chartering in 1997. IASAS curriculum, is based on a prescription for students to achieve competency over challenging subject matters including: English, Arabic (Qu'ran), Mathematics, Science & Technology, Arts, Civics, Government (Shariah), Economics, World History and Geography.”

IASAS was originally located at 8611 Hough Ave., Cleveland. In June 1997, IASAS relocated when it entered into a lease agreement with the Cleveland City School District to lease property at 1130 Addison Road, Cleveland, formerly known as East Madison School.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

ISSUE ONE - VOUCHER PAYMENTS AND RECORD KEEPING

PROCEDURES

We reviewed voucher payment records, attendance records and other required reports and records related to vouchers issued to the parents of students who were to attend the IASAS and attempted to contact all parents/guardians to determine whether those students actually attended classes there.

RESULTS

1. We identified students for whom the IASAS received voucher payments during fiscal years 1997, 1998, and 1999, who actually attended classes in the Cleveland City School District. The IASAS submitted attendance sheets to the State Superintendent indicating these students attended the IASAS during the school year; however, those students were included on attendance records of Cleveland City School District during the same period. We also identified students that the IASAS received voucher payments for who were not on the attendance records of the IASAS or whose parents indicated that they did not attend the IASAS for that period. The fiscal year, total number of students receiving voucher payments for IASAS, number of voucher students for whom IASAS received voucher payments but were identified as not having attended classes there, and the amount of voucher payments attributed to those students is summarized on the next page.

<u>Fiscal Year</u>	<u>Total Number of Students Receiving Vouchers for IASAS *</u>	<u>Number of Students Identified **</u>	<u>Amount of Overpayment***</u>
1997	33	16	\$13,219
1998	46	22	21,974
1999	56	32	<u>34,774</u>
Total			\$69,967

* Includes students receiving voucher payments for attending IASAS for the full year and students receiving voucher payments for attending IASAS for part of the year.

** Includes number of students who never should have received voucher payments to the IASAS because they attended the Cleveland City School District for the entire year and the number of students who should have had their voucher payments reduced because they attended the IASAS for only part of the year.

*** Includes voucher payments to the IASAS for students who attended Cleveland City School District for the entire year and voucher payments to the IASAS which should have been reduced for students who attended the IASAS for only part of the year.

These voucher payments totaling \$69,967 result in a Finding for Recovery.

2. We identified payments made by the Program to Americab, Inc., for transportation costs of IASAS voucher students that, according to Cleveland City School District attendance records, actually attended Cleveland City School District. During fiscal years 1997 and 1998, those payments amounted to \$988 and \$2,884, respectively. Those payments result in a Finding for Recovery.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

3. We identified payments made by the Program to Americab, Inc. for transportation costs of voucher students who did attend the IASAS, but were absent from classes, according to the IASAS' attendance records, on the days the students' transportation costs were billed by Americab, Inc. to the Program. During fiscal years 1997 and 1998, those payments amounted to \$153 and \$1,225, respectively. Those payments result in a Finding for Recovery.

FINDINGS FOR RECOVERY

1. Ohio Rev. Code Section 3313.979 (A)(2) requires that voucher payments be reduced "...in the case of any such student who is not enrolled in a registered private school for the entire year." As stated above, the Islamic Academy School of Arts and Science received \$69,967 in voucher payments during the Period for students who were not attending the Academy.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued against Fajr Al-Amin and Uthman Abdul Quddus, jointly and severally, and in favor of the Ohio Department of Education in the amount of \$69,967.

2. During the Period, the Program made payments to Americab, Inc. for voucher students that were either not enrolled in IASAS or were enrolled, however did not attend class on the day the students' transportation costs were billed by Americab, Inc.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued against Americab, Inc. and in favor of the Ohio Department of Education in the amount of \$5,250.

RECOMMENDATIONS

Monitoring of Voucher Payments

Both the Ohio Department of Education and the Cleveland Scholarship and Training Program failed to adequately monitor registered private schools to determine whether voucher payments made to those schools were for students who actually attended those schools.

Both the Ohio Department of Education and the Cleveland Scholarship and Training Program should, at a minimum:

- < Review student files maintained by the registered schools for adequate documentation verifying students' enrollment and attendance;
- < Survey parents of voucher students to ascertain whether those students are attending the schools designated in their applications;
- < Require submission of grade cards and standardized test scores for all scholarship students;
- < Investigate schools who are consistently late in providing requested documentation or those who do not provide documents at all;
- < Compare scholarship students to Cleveland Public Schools attendance records and document all such reviews.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Household Income Verification

In our Special Audit Report, dated December 9, 1998, we recommended the Program perform additional verification of household income of Program participants during the school year. Had the Program performed those procedures, they may have been able to identify earlier some of the scholarship students who were attending the Cleveland City School District.

We, again, recommend the Program perform additional verification of household income of Program participants during the school year.

Transportation Invoices

As stated in the Background Information, Americab Inc., the taxicab company which transported some of the voucher students to their chosen alternative schools, indicated they would invoice the Program for all the students assigned to the taxis and adjust their billing after the Program reviewed attendance records and identified the students on Americab's invoices who were absent for that day.

We recommend the Program thoroughly review all transportation invoices and verify the school attendance of all voucher students reflected on those invoices so that payments are made for only those voucher students who were actually transported.

We, once again, recommend the Program complete a comprehensive audit of the transportation invoices received from the taxicab companies to determine whether invoices included billings for scholarship students who were not transported by those taxicab companies.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

ISSUE TWO - ADMINISTRATION AND MONITORING

PROCEDURES

We reviewed the requirements of the Ohio Revised Code related to Alternative Schools (Ohio Rev. Code Section 3313.97) and the "pilot project scholarship program" to determine whether the IASAS complied with registration and other requirements.

RESULTS

1. The IASAS entered into a lease agreement with the Cleveland City School District on June 17, 1997 to lease/purchase the East Madison Elementary School located at 1130 Addison Road. The lease agreement was approved by Richard A. Boyd, Deputy State Superintendent for the Cleveland City School District. The IASAS received a Temporary Certificate of Occupancy for these premises on November 13, 1997 under the condition that a fire alarm system be installed and a Fire Watch and a Fire Watch Log be maintained until the fire alarm system was installed. The IASAS never installed a fire alarm system which was contrary to Administrative Rule Section 3301-35-08 (G) which requires the IASAS to comply with state and local health, fire, and safety laws. In a letter dated July 8, 1999, the IASAS was informed by the City of Cleveland's Department of Public Safety that the IASAS could no longer use these premises as a school until a fire alarm system was installed.

The lease agreement also required the IASAS to "...arrange for installation, maintenance, billing and payment for all desired utility services for the Leased Premises, including, but not limited to telephone service, natural gas, and electricity." We identified utility payments made by the Cleveland City School District for the East Madison Elementary School for the period July 1997 through June 1999 in the total amount of \$11,723. There was no documentation provided by the IASAS which indicated they reimbursed the Cleveland Public Schools for those charges. Those utility payments, which were made contrary to their agreement with the IASAS by the Cleveland City School District, result in a Finding for Recovery.

2. Although the Program did not have a formally approved policies or procedures manual, various "informal" policies and document requests were provided by the Program in correspondence to administrators of all registered private schools. Copies of scholarship students' report cards and standardized test scores for the 1996-1997 school year were requested by the Program at least three times from the participating private schools, however, when we requested report cards and test scores for IASAS students from the Program, none were on file for IASAS students, although the Program's files did contain report cards and test scores for other schools in the Program.
3. Neither the Program nor the Ohio Department of Education maintained any documentation identifying the IASAS's governing Board, administration or teachers. As a result, we could not determine whether the IASAS was in compliance with Administrative Rule Section 3301-35-08 (D) which requires that teachers and administrators of the IASAS had received a bachelor's degree or equivalent thereof from a recognized college or university.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

4. After repeated requests for records from IASAS, they provided us with copies of student files and report cards for the final grading period of the 1998-99 school year. We noted that the student files did not contain all pertinent information for all students. Some student files were missing application forms, immunization records, transfer documentation or previous report cards. After review of the report cards which were provided, it appeared that report cards provided for students who we had identified as having attended the Cleveland City School District were duplicates of other report cards for students who did attend the IASAS, the difference being the names were altered. On August 5, 1999 a subpoena was issued to IASAS to provide documents for audit in accordance with Ohio Rev. Code Section 117.18. We requested the following documentation:
- < Registration of school with the superintendent of public instruction.
 - < Application to become a chartered school.
 - < Board Members and terms.
 - < Listing of all teachers and instructors, classes they taught and their teaching certifications including background check for all teachers.
 - < Listing of all students who attended the school including attendance reports, grade cards, applications, etc. and proficiency tests given and results.
 - < Listing of students receiving scholarships, including applications, period receiving scholarship, any reimbursements to the scholarship program, purpose of reimbursement and payments to any other scholarship school where students may have transferred during the course of a school year.
 - < All accounting ledgers for all years, including receipts, disbursements, accounts payable, accounts receivable, etc.
 - < All vouchers, checks, invoices and other documentation to support payments to vendors, teachers, etc.
 - < All banks used by IASAS and bank statements, debit information etc.

As of the date of this report, the IASAS has failed to provide any records pursuant to this subpoena.

5. Ohio Rev. Code Section 3313.979 requires each scholarship to be used for payment to the IASAS be payable to the parents of the student entitled to the scholarship. Although state warrants were issued in both the name of the parent/guardian of the scholarship student and the IASAS, most warrants which were deposited by the IASAS for scholarship students who attended the Cleveland City School District were not endorsed by the parent/guardian.
6. We attempted to determine through either phone inquiries or written questionnaires to parents of scholarship students whether their children attended the IASAS and whether they paid tuition to the IASAS in excess of 10% of the scholarship amount. The Assurance of Compliance Section (G) requires the IASAS not charge more than 10% of the scholarship amount to low income students. One parent's response indicated she paid more than ten percent toward tuition. According to IASAS documents, their fourth grade tuition was \$2,700. An IASAS receipt provided by the above mentioned parent indicated that she paid \$450 for tuition after her voucher payment of \$2,250, which is in excess of the amount allowed by Ohio Rev. Code Section 3313.976 (A)(8) and Assurance of Compliance paragraph (G). This same respondent indicated that other parents were also charged in excess of the 10% maximum.
- Although information was provided by the Program to parents defining what the Program was, who was eligible, how to sign up, and how to enroll their child in a private school, the Program did not provide any information or phone number which parents could call regarding any problems they might have with the registered private schools their children were attending.
7. The IASAS failed to provide a report to the parents of it's pupils that the school met minimum standards for non-chartered, non-tax supported schools as required by Administrative Code Section 3301-35-08.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

FINDING FOR RECOVERY

Paragraph 5 of the lease agreement between the Cleveland City School District and the Islamic Academy School of Arts and Sciences, dated June 17, 1997, regarding the payment of utilities, states, "Tenant shall arrange for installation, maintenance, billing and payment for all desired utility services for the Leased Premises, including, but not limited to telephone service, natural gas, and electricity."

The Cleveland City School District paid \$11,723 in utility payments during the Period which was the responsibility of the IASAS.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued against Fajr Al-Amin and Uthman Abdul Quddus, jointly and severally, and in favor of the Cleveland City School District in the amount of \$11,723.

CITATIONS

1. Ohio Rev. Code Section 3313.976 (A)(8) states, "The school agrees not to charge any tuition to low-income families participating in the scholarship program in excess of ten percent of the scholarship amount established... " Also, Paragraph G of the Assurance of Compliance, signed by the administrator of the IASAS, states, "The school will not charge more than 10% of scholarship amount to low income students..."

The IASAS charged tuition in excess of the amounts authorized. Findings for Recovery should have been issued against the Board and officials of the IASAS in favor of parents/guardians who paid tuition in excess of ten percent of the established scholarship amount, but, we were not able to quantify those tuition payments because, as stated previously, the IASAS did not provide the records requested pursuant to our subpoena.

2. Administrative Code Section 3301-35-08 states that a non-chartered, non-tax supported school "...shall annually certify in a report to the parents of it's pupils that the school meets minimum standards for non-chartered, non-tax supported schools..."

The IASAS failed to provide such a report.

3. Administrative Rule Section 3301-35-08 (D) requires teachers and administrators of non-chartered, non-tax supported schools to have received a bachelor's degree or equivalent thereof from a recognized college or university.

The Islamic Academy School of Arts and Sciences failed to provide documentation demonstrating its compliance with this section.

4. Administrative Code Section 3301-35-08 (G) states, "Each non-chartered, non-tax supported school shall comply with state and local health, fire, and safety laws."

The Islamic Academy School of Arts and Sciences failed to comply with these provisions and did not forward fire and safety reports to the Ohio Department of Education.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

As stated previously, the IASAS received a Temporary Certificate of Occupancy for these premises on November 13, 1997 under the condition that a fire alarm system be installed and a Fire Watch and a Fire Watch Log be maintained until the fire alarm system was installed. The IASAS never installed a fire alarm system which was contrary to Administrative Rule Section 3301-35-08 (G) which requires the IASAS to comply with state and local health, fire, and safety laws. In a letter dated July 8, 1999, the IASAS was informed by the City of Cleveland's Department of Public Safety that the IASAS could no longer use these premises as a school until a fire alarm system was installed.

The Ohio Department of Education has not provided any documentation which indicated they monitored the IASAS' compliance with the installation of a fire alarm which was a condition to their Temporary Certificate of Occupancy and should have restricted their opening. The Ohio Department of Education bears a responsibility to ensure the health and safety of all students who attend classes in schools they have approved.

RECOMMENDATIONS

Monitoring Procedures

The Program did not have a formal policy manual which governed the day-to-day operation of the Program. The Program's lack of formal administrative policies resulted in minimal or no monitoring efforts on their part to determine whether private schools who received payments for scholarship students were in compliance with the Ohio Revised Code, the Ohio Administrative Code and other requirements. In addition, the Ohio Department of Education did not adequately monitor the Program or the Program's private schools to determine whether the Program and the private schools were in compliance with the Ohio Revised Code, the Ohio Administrative Code and other requirements.

We recommend the Program develop policies to govern their administrative operation and obtain formal approval of those policies. In addition, we recommend the Ohio Department of Education implement monitoring procedures whereby they can adequately determine whether pilot project scholarship programs and the private schools participating in those programs are in compliance with all applicable authority.

Compliance with State Minimum Requirements

The Cleveland Scholarship and Tutoring Program, with the approval of the Ohio Board of Education, permitted schools to register to receive scholarship vouchers by signing an "Assurance of Compliance" without providing proof that the schools met state minimum requirements. Although the Program requested various documents and records from the IASAS, the IASAS either did not provide the documents in a timely manner or failed to provide the documents at all.

Without prior knowledge of private schools registered with the Program, parents of scholarship students must rely on the State Board of Education to identify acceptable alternate schools that meet state minimum requirements and are in compliance with Ohio Rev. Code Chapter 3321. In effect, the Program is assuring parents that registered private schools meet state minimum standards. For the parent, if a private school is registered with the Program, the parent must assume that it meets state minimum standards. But if the Program and the State Board of Education do not adequately monitor whether private schools meet state minimum standards, parents of students run the risk that their children may be attending a school which does not meet state minimum requirements and their children may not be receiving an adequate education.

To assure that registered private schools meet state minimum requirements, the Program should:

- < Require documentation that the school meets standards;
- < Confirm that administrators/teachers meet requirements;

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- < Conduct and document on site visits to confirm school documentation submitted and to substantiate that safety and fire regulations are being adhered to;
- < Review the school's compliance with state requirements;
- < Provide parents with the phone number of a contact person who they can call regarding complaints about any school, and each complaint received should be adequately investigated;
- < Investigate high turnover rates of students at any school, which could indicate problems at that school;
- < Communicate with the Department of Education to ascertain whether registered schools remain in good standing and that no complaints or problems came to their attention;
- < Take the necessary steps to obtain documentation from any registered school which fails to submit requested documentation or de-certify the school.



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CLEVELAND SCHOLARSHIP AND TUTORING PROGRAM ISLAMIC ACADEMY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 6, 2000**