



OFFICE OF EDUCATIONAL QUALITY AND ACCOUNTABILITY

Operational Audit

For the period July 1, 2018 through June 30, 2023

Cindy Byrd, CPA
State Auditor & Inspector

**Audit Report of the
Office of Educational Quality and Accountability**

**For the Period
July 1, 2018 through June 30, 2023**



May 1, 2024

TO THE OFFICE OF EDUCATIONAL QUALITY AND ACCOUNTABILITY

We present the audit report of the Office of Educational Quality and Accountability for the period July 1, 2018 through June 30, 2023. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

Office of Educational Quality and Accountability
Operational Audit

Background

The Office of Educational Quality and Accountability (OEQA or the Agency), per its mission statement, supports high level student performance by ensuring quality evidence-based educator preparation, improving P20 school (preschool through post-secondary education) efficiency and effectiveness, and providing comprehensive statistical information for all stakeholders.

The Agency is responsible for many programs and tasks. In addition to ensuring quality teacher preparation and administering a competency-based assessment system for educator licensure, OEQA’s audit period responsibilities included:

- Administering the Oklahoma Educational Indicators Program, serving as a clearinghouse for statistical information from common education, career and technical education, higher education, and several other state agencies.
- Overseeing the Education Leadership Oklahoma program which awards annual scholarships and provides guidance and support for teachers going through the National Board Certification process and professional learning for candidates and National Board-Certified Teachers.

OEQA is governed by the Commission for Educational Quality and Accountability, which is composed of seven members, all appointed by the Governor.

Commission members as of April 2023 are:

Nellie Sanders.....	Chair
Greg Hallman	Member
John Daniel.....	Member
Kathryn Szallar.....	Member
Dr. Ashlyn Fiegener.....	Member
Geoff Kingsley	Member
Kenneth Parker.....	Member

Office of Educational Quality and Accountability
Operational Audit

The following table summarizes the Agency's sources and uses of funds for July 1, 2021 through June 30, 2023.

Sources and Uses of Funds for FY 2022 and FY 2023

	2022	2023
Sources:		
Appropriations	\$ 1,505,059	\$ 1,426,272
Teachers Examination Fee	206,840	97,220
Refunds for Prev Distb Good & Svcs	62,536	141,351
Reimbursements	6,621	2,520
Total Sources	\$ 1,781,056	\$ 1,667,363
Uses:		
Personnel Services	\$ 840,114	\$ 969,866
Administrative Expenses	458,972	545,431
Professional Services	294,737	247,728
Assistance, Payments to Local Govn'ts	55,160	94,146
Travel	23,068	50,439
Property, Furniture, Equipment	3,567	5,766
Total Uses	\$ 1,675,618	\$ 1,913,376

Source: Oklahoma State Accounting System (unaudited, for informational purposes only)

**Scope and
Methodology**

Our audit was conducted in response to 74 O.S. § 212, which requires the State Auditor and Inspector's office to audit the books and accounts of all state agencies whose duty it is to collect, disburse, or manage funds of the state.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessment of materiality and risk for the period July 1, 2018 through June 30, 2023. To assess risk and develop our audit objective, we held discussions with management, surveyed employees, and performed data analysis and prior audit follow-up. These procedures included:

- Reviewing revenue, expenditure, and asset-related data from the state accounting system and gathering information from Agency personnel to assess the related financial processes and trends for any notable risks.
- Discussing the expenditure processes with staff, analyzing top vendors and payments, and reviewing evidence of detailed expenditure review performed by management.
- Reviewing the Agency's HR actions from the state accounting systems to assess changes that had a financial impact during the audit period.
- Reviewing inventory listings submitted to the Office of Management and Enterprise Services for the audit period.
- Reviewing the Agency's commission meeting minutes and pertinent statutes, regulations, and contracts, and assessing related risks.

One objective was developed related to the Oklahoma Educational Indicators Program as a result of the procedures performed, as discussed in the body of the report. One additional issue was identified during our engagement but was not deemed significant to our objective and is discussed under Other Items Noted.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Internal Control Considerations

The Government Accountability Office (GAO) emphasizes the importance of internal controls at all levels of government entities. Their *Standards for Internal Control*¹ outline the five overarching components of internal control: the control environment, risk assessment, information and communication, monitoring, and detailed control activities. Any component considered significant to our audit objectives is assessed during our procedures and included as appropriate in this report.

The *Standards for Internal Control* underscore that an internal control system is effective only when the five components of internal control are operating together in an integrated manner. They also stress that documentation is a necessary part of an effective internal control system and is required to demonstrate its design, implementation, and operating effectiveness.

¹ *Standards for Internal Control in the Federal Government*, or the "Green Book," sets standards and the overall framework for an effective internal control system in federal agencies and is treated as best practices for other levels of government. Last update 2014, accessible online at <https://www.gao.gov/products/GAO-14-704G>.

OBJECTIVE	Determine whether the agency has gathered key educational data for the Oklahoma Educational Indicators Program and provided reports to the required parties in compliance with 70 O.S § 1210.531.
------------------	---

Conclusion We determined that OEQA was not able to gather key educational data for the Oklahoma Educational Indicators Program for school years 2021 through 2023 and provide reports to the required parties in compliance with 70 O.S § 1210.531.

OEQA did provide complete reports for the Oklahoma Education Indicators Program to the required parties for the 2018-2019 school year. The reports for the 2020 school year were published but are incomplete due to the pandemic.

Objective Methodology

To accomplish our objective, we performed the following:

- Documented our understanding of the Indicators Program process through discussion with management and personnel from both OEQA and the Oklahoma State Department of Education.
- Reviewed documentation of discussions between OEQA management and the Department of Education requesting data.
- Reviewed the Oklahoma Educational Indicator Program reports for the 2018-2019 and 2019-2020 school years published on the agency’s website to ensure the statutorily required data was included in the reports.

FINDINGS AND RECOMMENDATIONS

OEQA Was Unable to Obtain Key Educational Data from the State Department of Education - Required Reporting Therefore Not Completed

70 O.S § 1210.531 requires OEQA, “with the cooperation of the State Department of Education (OSDE), the Oklahoma State Regents for Higher Education, and the State Board of Career and Technology Education,” to publish a summary report for the Oklahoma Indicators Program by February 1 each year to the people and Legislature of Oklahoma. OEQA publishes this report on their website, and in accordance with the statute, it includes information such as comparisons of graduation rates, dropout rates, pupil-teacher ratios, student enrollment gain and loss rates, and test results in the contexts of socioeconomic status and the finances of school districts. Key data needed to produce the reports comes from the other education agencies mentioned in the statute, primarily OSDE.

The last complete reports published for the Indicators Program were dated 2019, which covers the 2018-2019 school year. There are reports for the 2019-2020 year on the Agency’s website; however, the School

Office of Educational Quality and Accountability Operational Audit

Performance section is incomplete with a message stating “due to pandemic-related concerns, spring 2020 assessments were canceled.”

OEQA was not able to complete the Indicators Program reports for the 2021 through 2023 school years because OSDE has not provided the required data. During the audit period, OSDE requested an update to the MOU that governs the provision of key indicators data from OSDE to OEQA. There was a lengthy back and forth between the agencies, during which time no data was provided.

After our audit period, in October 2023, the Agency received a signed data sharing agreement with OSDE. However, as of April 2024, OEQA still has not received all the data needed from OSDE to produce the 2023 Indicators Program report, which resulted in OEQA again missing the mandated February 1st report release deadline.

The objective of the Indicators Program reports is to provide current information on the performance, test results, and other attributes of public schools and school districts. Because OSDE has not provided to OEQA the required data to complete these reports, the public does not have access to the current information necessary to evaluate and make informed decisions about public education in Oklahoma. The Agency still plans to publish the report this year, but the later the report is released, the less relevant the information becomes given the age of the data.

In addition, *GAO Standards for Internal Control* emphasize that management should externally communicate the necessary quality information to achieve the entity’s objectives.

Recommendation

We recommend management continue to request the data needed from OSDE to comply with 70 O.S § 1210.531 and achieve the Agency’s objectives. Management may also wish to consult with legal counsel about pursuing a statutory change to give OEQA the ability to directly access the required data for the Indicators Program.

Views of Responsible Officials

OEQA will continue to review the recommendations provided and implement necessary actions to address the highlighted areas. We also appreciate the acknowledgment of the challenges faced due to external dependencies and will work diligently towards resolving these to ensure timely and accurate reporting in the future.

This is an excerpt; see full response letter at the end of this report.

OTHER ITEMS NOTED

Although not considered significant to the audit objective, we feel the following issue should be communicated to report users.

**Issues with
Educational
Leadership
Oklahoma
Program**

During our engagement, some concerns were brought to our attention regarding the Agency's activities related to the Education Leadership Oklahoma program². These issues included handling of payroll for participating teachers, potential lobbying activities related to the program, and statutory authority for administering the program. Through our discussions with the director and review of certain documents, we determined additional audit procedures are not warranted at this time.

The director has discussed these concerns with the Agency's attorney and made pertinent staffing and policy changes. In keeping with the legislative intent expressed at 70 O.S. § 6-204.2, the Agency has now contracted with Southeastern Oklahoma State University to provide training and related administration for the program.

We will follow up on this area of activity during our next audit engagement with the Agency.

² This program provides information, assistance, and training to Oklahoma teachers seeking National Board Certification and the roles of relevant state agencies and other parties are outlined in 70 O.S. § 6-204.2.

25 April

Cindy Byrd, CPA
Oklahoma State Auditor & Inspector
2300 N. Lincoln Blvd., Room 123
Oklahoma City, Oklahoma 73105

Dear Ms. Byrd,

We acknowledge the receipt of the audit report prepared by your office for the period of July 1, 2018, to June 30, 2023, concerning the Office of Educational Quality and Accountability (OEQA). We appreciate the diligence and thoroughness with which the State Auditor and Inspector's office has conducted this audit.

We are pleased to note that the findings presented in the report provide a comprehensive review and bring important areas of our operations into focus. OEQA remains committed to upholding the highest standards of accountability and efficiency in fulfilling our mission to support high-level student performance and quality educator preparation.

We thank your team for their professionalism and the constructive approach taken throughout the audit process. The cooperation between your office and our agency reflects our mutual commitment to serve the educational needs and uphold the trust of the taxpayers of Oklahoma.

OEQA will continue to review the recommendations provided and implement necessary actions to address the highlighted areas. We also appreciate the acknowledgment of the challenges faced due to external dependencies and will work diligently towards resolving these to ensure timely and accurate reporting in the future.

Thank you again for your assistance and cooperation. We look forward to continuing our work with your office to enhance our services and accountability.

Sincerely,

Megan Oftedal

Megan Oftedal, PhD
Executive Director
Office of Educational Quality and Accountability
5400 N Grand Blvd, Ste. 200
Oklahoma City, OK 73112

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov