

DEED PROGRAM 11 – LOW INCIDENCE DISABILITIES (SPECIAL EDUCATION SERVICE AGENCY – SESA)

I. PROGRAM OBJECTIVES

The objective of the program is to provide special education and related services to children with a disability, as that term is defined in AS 14.30.350, who reside in school districts that do not have the capacity to hire full-time specialists. AS 14.30.600 has designated the Special Education Service Agency (SESA), a public organization, to administer the program. Generally, the support and services of the SESA are provided to rural and remote school districts.

II. PROGRAM PROCEDURES

Per AS 14.30.610, the SESA is governed by the Governor's Council on Disabilities and Special Education. The agency provides outreach services to school districts to serve students with low incidence disabilities. Under AS 14.30.650, each fiscal year the SESA is allocated not less than \$23.13 times the number of students in the state in average daily membership in the preceding fiscal year as determined under AS 14.17.600.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funds must be expended for the administration and operation of a program that provides special education services as detailed in AS 14.30.630(b)(1).

Suggested Audit Procedure: Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations.

B. ELIGIBILITY -

Compliance Requirement: AS 14.30.640 describes the eligibility requirements for school districts to receive SESA services.

Suggested Audit Procedure: Review and evaluate policies and procedures for ensuring eligibility compliance.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching, level of effort, or earmarking requirements.

D. REPORTING REQUIREMENTS -

Compliance Requirement: AS 14.30.630(b)(3) requires the SESA to provide the Department with a two-year plan of operation including a description of the services to be offered by the agency, the method by which the services will be

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evaluated, information on the number of students and school district personnel to be served, a schedule of funds available to the agency from all sources, and other information that may be required by the Department by regulation. The grant agreement specifies other reporting requirements.

Suggested Audit Procedures:

- a) Review the grant agreement for all reporting requirements;
- b) Review procedures for preparing reports and evaluate for adequacy;
- c) Review a sampling of reports for completeness and timeliness of submission;
- d) Trace data in selected reports to the supporting documentation; and
- e) Evaluate adjustments, if any, for propriety.

E. SPECIAL TESTS AND PROVISIONS -

1. **Compliance Requirement:** AS 14.30.630(b)(1)(A), (B), and (C) requires the SESA to provide itinerant outreach services to students who are deaf, deaf-blind, cognitively impaired, hearing impaired, blind and visually impaired, orthopedically disabled, health-impaired in other ways, and severely emotionally disturbed, and to students with multiple disabilities. Additionally, the SESA must provide special education instructional support and training of local school district special education personnel. Lastly, the SESA must provide other services appropriate to special education needs.

Suggested Audit Procedure: Determine whether these services were provided through discussions with appropriate personnel or other means.

2. **Compliance Requirement:** AS 14.30.630(b)(2) requires the SESA to provide an annual audit.

Suggested Audit Procedure: Determine whether the required audit was performed for the prior fiscal year and forwarded to the appropriate State agency.

3. **Compliance Requirement:** AS 14.30.630(b)(4) requires the SESA to present an annual budget to the Department.

Suggested Audit Procedure: Determine whether the required annual budget was presented to the Department.

4. **Compliance Requirement:** Carryover of funds between fiscal years is allowed, however, neither a negative fund balance nor an excessive fund balance is allowed. Funds must be maintained in the SESA's accounting records in a manner that will allow the fund balance of the Low Incidence Disabilities program to be determined and reported in their annual independent audit report.

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Suggested Audit Procedures: Review the accounting records to determine whether the requirements for reporting the Low Incidence Disabilities program fund balance has been met; and evaluate whether the fund balance appears excessive.

5. **Compliance Requirement:** The Department of Education & Early Development conducts a compliance monitoring review with all school districts the SESA works with on a four year cyclical basis. This review consists of student file findings. Findings from the district monitoring are included each year in the federal reporting as part of the state's Annual Progress Report (APR). This document is posted online annually.

Suggested Audit Procedures: Determine if the districts that SESA provides services to have been monitored by the Department of Education and Early Development at least once in the last four years. Verify that those districts are determined to be in compliance with state and federal special education regulations.