



Report Highlights

Board of Elementary and Secondary Education

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Financial Audit Services • May 2015

Why We Conducted This Audit

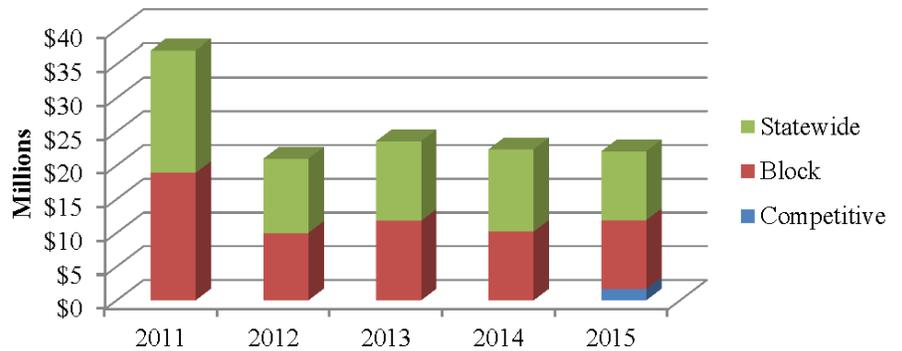
We conducted certain procedures at the Board of Elementary and Secondary Education (BESE) to evaluate certain internal controls BESE uses to ensure compliance with applicable laws and regulations and to provide accountability over public funds for the period July 1, 2013, through May 15, 2015.

What We Found

We evaluated controls related to monitoring of the Louisiana Education Quality Trust Fund [8(g) program] statewide grants, adoption of rules, and charter school contract renewals and extensions. We determined that BESE has adequate controls in place to ensure compliance with applicable laws and regulations and to provide accountability over public funds for the period examined.

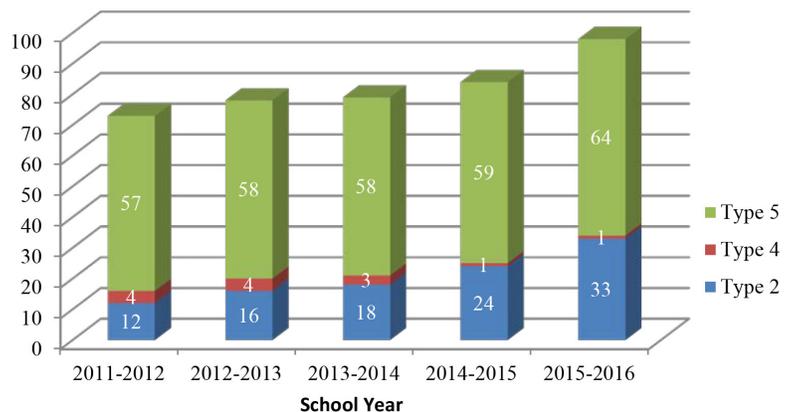
- BESE and the Board of Regents are beneficiaries of the revenue earned by the 8(g) program through its investment income, capital gains and losses, and royalty income, which varies depending on market conditions. BESE approves the allocation of its share of the revenues among block, statewide, and competitive grants (see Exhibit 1). Each year, BESE program monitors evaluate a percentage of the funded projects for program effectiveness.
- BESE adopts rules that govern public and nonpublic elementary and secondary schools. BESE follows the guidelines of the Administrative Procedures Act for any changes or additions to its rules.
- Charter schools are independent public schools that are authorized either by BESE or local school boards. BESE authorizes Type 2 and 5 charter schools and Type 4 charter schools in conjunction with the local school board. Type 2 and 4 charter schools are new or conversion schools. Type 5 charter schools are part of the Recovery School District (see Exhibit 2).

Exhibit 1
Allocation of 8(g) Program Funds, by Fiscal Year



Source: The 8g Annual Program and Budget

Exhibit 2
BESE-authorized Charter Schools, by Type



Source: Louisiana Type 2, 4, and 5 Charter Schools Annual Reports