

EXECUTIVE SUMMARY

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EVIDENCE OF COMPLIANCE FCPS OPERATIONAL EXPECTATIONS MONITORING REPORT

Function: Accountability and Audit

Operational Expectation: maintain a system that tracks, measures, and evaluates FCPS effectiveness in realizing student achievement and business processes, including both benefits and costs, in a timely manner

1. Evaluate all new programs and any identified by the Audit Committee and/or the School Board. That evaluation should recommend whether a program should be continued, modified, or discontinued based its effectiveness and cost.

Highlights –Evidence of Compliance:

- ◆ Program identification process proposed (Attachment 1)
- ◆ “Box Score” program rating method tested (Attachments 2 and 3)

2. Cultivate an environment committed to continuous improvement.

Highlights –Evidence of Compliance:

- ◆ DA supported approximately 35 FCPS programs’ use of PDSA-based continuous improvement approach to conduct FY07QPAS Reviews
- ◆ Used PDSA to begin developing action plan to encourage/support divisionwide continuous improvement
- ◆ School planning support incorporates continuous improvement approach
- ◆ DA provided resources, tools and technical support for student-focused continuous improvement
- ◆ Currently aiding Middle School Principal’s Association planning for Baldrige-based continuous improvement training for approximately 50 principals, directors of student services, and selected central office staff
- ◆ Sponsored series of Baldrige training seminars for about 120 principals, school planning staffs, and cluster and key central office personnel
- ◆ Completed 4 APQC benchmarking studies providing metrics and best practice models for improvement

3. Conduct a regular fiscal and performance audit of business functions.

Highlights –Evidence of Compliance:

- ◆ Audit committee members were appointed at the July 27, 2006 regular School Board Meeting. The responsibilities of the committee, and its relationship with the Internal Audit Office, are described in the Internal Audit Charter, Regulation 1420.1, effective 10-03-06. (see regulation Attachment 4)
- ◆ The Audit Committee approved the fiscal year 2007 audit plan on July 13, 2006. The plan was approved by the School Board on July 27, 2006. (see audit plan Attachment 5)
- ◆ The status of fiscal year 2007 audit projects was presented to the Audit Committee on December 15, 2006. (see status report Attachment 6)

4. Provide public access to audit results.

Highlights –Evidence of Compliance:

- ♦ Audit reports are posted to the Internal Audit web site approximately two weeks following issuance to the Audit Committee. In addition, all past audit reports have been posted. (see copy of posted reports Attachment 7)
- ♦ The day a report is posted to the Internal Audit website, an announcement is made on the FCPS public website under “New Today,” indicating report availability and a brief statement regarding the audit coverage

Fairfax County School Board
Operational Expectations Monitoring Report

A = acceptable condition U = unacceptable condition

ACCOUNTABILITY AND AUDIT

Period covered: 2006-2007

The Superintendent will maintain a system that tracks, measures, and evaluates FCPS effectiveness in realizing student achievement and business processes, including both benefits and costs, in a timely manner. The Superintendent will:

1. Evaluate all new programs and any programs identified by the Audit Committee and/or the School Board. That evaluation should recommend whether a program should be continued, modified, or discontinued based on its effectiveness and cost.

Superintendent:	A	<input checked="" type="checkbox"/>	U	<input type="checkbox"/>
School Board:	A	<input checked="" type="checkbox"/>	U	<input type="checkbox"/>

Reasonable Interpretation:

The Department of Accountability (DA) will typically use a three-year formal evaluation process to evaluate instructional programs identified by the Audit Committee and/or School Board. A three-year evaluation cycle will include two annual interim reports and a final report at the end of the third year. The reports will provide the School Board, program managers, and the public with information, interpretations, and judgments on program objectives, implementation, and outcomes. Evaluations will adhere to a formalized evaluation system to achieve the goal of the School Board for effective and efficient operation. Finally, this process will provide evidence to continue, modify, or discontinue programs.

Indicator(s):

- Completion of interim and final evaluation report ratings of programs

Superintendent Statement of Condition:

DA directed its attention during 2006-07 to establishing the processes, tools, and decision aids required to implement the formal program evaluation approach approved in the above "reasonable interpretation" and its appendices. These are embodied in four critical steps outlined in the interpretation: Identification of Programs for Evaluation, Exploratory Evaluation, Program Development, and Comprehensive Evaluation. Substantial progress has been made for the Identification of Programs for Evaluation and Comprehensive Evaluation steps; however, a *Program Evaluation Manual* is scheduled for development by DA staff in late spring to guide the use of the other evaluation steps.

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Appendix A – Evaluation Process Flow Chart shows the first step of the evaluation process is the annual identification of the universe of programs (and services) that should be considered for evaluation. Attachment 1 describes how this identification process will occur.

Once identified, programs determined as sufficiently developed will undergo *Comprehensive Evaluation* by the Office of Program Evaluation (OPE) for up to three years. During this period, annual interim reports will guide continuous program improvement decisions and a final report will judge program impacts over the course of the entire evaluation. The overall status of a program will be summarized by a set of *box scores* in interim and final reports.

The box score rating method offers advantages over past evaluation procedures:

- a) More upfront program planning around desired critical outcomes
- b) Expanded areas of program accountability
- c) More rigorous and systematic judgment about how to improve programs (interim reports) and about a program's continuation status (final reports)

The summary box score ratings will be explained in the *Executive Summary* for each report. Box scores offer an annual recommendation to continue, modify, or discontinue a program and provide the Superintendent and School Board discretion in exercising action.

DA has demonstrated the use of the box score, using a completed evaluation (Full-Day Kindergarten) and an ongoing evaluation (Two-Way Immersion). Not all components of the box score could be incorporated, since past and current program evaluations were not designed to account for all areas required in the new, more rigorous analyses. However, as a result of the experience with the process, OPE will:

1. Expand box score definitions to ensure accurate and consistent ratings over time
2. Develop and deliver training sessions on box score definitions (especially program definition and implementation criteria) to help focus planning by program staff
3. Confer with Internal Audit and Budget Services to determine best practices for including cost information in reports and box score recommendations

Attachment 2 demonstrates the use of box scores for the Full-Day Kindergarten Report and Attachment 3 demonstrates the same process for the most recent (2004-05) Two-Way Immersion interim report. For the Full-Day Kindergarten program, the box score ratings and Executive Summary indicate this program is designed and implemented to provide substantially more time and opportunities for teaching and learning, reduces the need for ESOL services as students move from kindergarten to first grade, and yields positive academic performance outcomes; especially for the most needy students. The box score ratings and Executive Summary for the Two-Way Immersion program indicate this program has a very strong program definition/design, has increased implementation quality over time, and yields positive academic performance outcomes

for both native English and Spanish speaking students, who performed as well or better than their counterparts in non two-way immersion classes.

Board Comments:

See Summary Statement of the Board

2. Cultivate an environment committed to continuous improvement.

Superintendent: A U
School Board: A U

Reasonable Interpretation:

The Department of Accountability (DA) will provide resources and technical support for understanding, implementing, and monitoring continuous improvement within departments, offices, and schools.

A system for continuous improvement will be based on the Plan, Do, Study, Act (PDSA) model, which will assist departments, offices, and schools to improve student achievement. The PDSA model will provide an overarching framework for how to go about conducting continuous improvement cycles:

- PLAN – What are we trying to accomplish?
- DO – How did we do it?
- STUDY – What did we accomplish?
- ACT – How can we improve?

DA will serve as a model and catalyst to develop, integrate, and refine the incorporation of the PDSA continuous improvement model into daily work. DA will help departments, offices, and schools use the PDSA model to direct and inform decision-making, with the goal of improving student academic performance.

Indicator:

- Qualitative and quantitative evidence of resources and support provided for continuous improvement

Superintendent Statement of Condition:

DA's mission is:

We value accountability and serve as a catalyst to impact student achievement through collaboration and positive action.

And our core value is "Excellence":

We will pursue excellence within the department and serve as a catalyst for excellence across the school division.

We are fundamentally committed to continuous improvement, from the classroom teacher to the Leadership Team.

During these early stages of implementing the School Board's new strategic direction, the DA has focused on *establishing the foundation* for consistent divisionwide use of PDSA as the framework for continuous improvement. DA, as well as other Fairfax County Public Schools (FCPS) clusters, departments and schools are currently receiving training to further develop their knowledge and understanding of PDSA concepts as well as those skills needed to assist in the implementation of continuous improvement. This effort has included not only a more in-depth study of the PDSA cycle itself, but also the supporting Quality Tools (i.e., such problem identification and analysis aids as flow charts, root cause, and process capability analysis). DA has implemented several department-, cluster/school- and central-office-level actions, as follows:

Department-Level

- The Quality Programs Assurance System (QPAS) requires biennial program reviews by program staff. The review process engages program staff in a set of continuous improvement tasks that mirror a PDSA cycle. With technical assistance from DA, program staff identifies desired results, defines evidence of success, collects the evidence over two years, reflects on the evidence, and then implements improvements for the future based on the evidence. This technical assistance from DA routinely promotes continuous improvement by emphasizing specific continuous improvement aspects of the review process. When providing individualized technical assistance during FY 2007, DA targeted the Study-Act portion of the cycle by encouraging program managers to highlight the links between their current evidence of program functioning and their recommendations for the future. Approximately 35 FCPS programs, spanning the Special Services, Instructional Services, and Professional Learning and Training departments, engaged in this continuous improvement approach to QPAS reviews during FY 2007.
- Currently, DA is providing technical assistance to Instructional Services and Student Services to merge QPAS into a new system of monitoring reports for academic goals and operational expectations. DA will also collaborate with offices of Budget Services and Internal Audit to determine the best way to incorporate financial information into program evaluations.
- Utilizing the PDSA approach, DA has defined the method it will use to facilitate the establishment of a continuous improvement culture – first within DA, then division-wide. The goals are to:
 - Support DA's use of PDSA and associated Quality Tools in their daily work. ("DA will serve as a model and catalyst to develop, integrate, and refine the incorporation of the PDSA continuous improvement model into daily work.")
 - Support/document division-wide use of PDSA and Quality Tools in decisions to improve student achievement and operational performance. ("DA will help departments, offices, and schools use the PDSA model to

direct and inform decision-making, with the goal of improving student academic performance.”)

Cluster/School-Level

- The continuous improvement philosophy exemplified in the PDSA model is very important to the school improvement planning process. Currently DA is providing consultation to a work team of cluster, department, and school leaders who are investigating the redesign of FCPS School Improvement Plans to streamline and strengthen the process.
- DA staff provides reference resources, tools, and technical support through seminars, training, and consultation emphasizing the tenets of student-achievement-focused continuous improvement.
- DA is currently collaborating with the Middle School Principals' Association to sponsor continuous-improvement-oriented *Baldrige in Education* training. The training will be delivered by Palatine Baldrige Award winners to approximately 70 middle school principals, directors of student services, and staff members in the Offices of Middle School Instruction, and Educational Planning.

- Division-Level

- During October 2006, DA sponsored seminars on using the PDSA process and supporting Quality Tools. The seminars were delivered by Baldrige consultants and administrators and teachers from two Baldrige National Educational Award winning school districts (Palatine, IL and Jenks, OK). The approximately 120 participants included FCPS principals, school planning staff, and cluster and central office leaders.
- FCPS, with DA technical support and coordination, joined the American Productivity and Quality Center (APQC) and completed four benchmarking and best practice studies centered on the following processes:
 - Student Assessment (January 2006)
 - Teacher Recruitment and Retention (January 2006)
 - IT User Support (January 2006)
 - Professional Development (January 2007)

For some time now, FCPS has been benchmarking, both regionally and nationally, in several functional areas (e.g., finance, facilities, technology, and human resources management). FCPS's participation in APQC has built on this initiative for improvement and expanded it to other functions. It has allowed FCPS to collaborate with other leading school divisions nationwide to establish a common framework for understanding educational and related business processes and for benchmarking best practices among them. FCPS has also benefited from its exposure to APQC's process analysis, methods of measurement, and development of databases. In some instances the resulting information offered opportunities to improve key processes within the division and identified best practices to guide improvement.

During the past year, efforts in continuous improvement have been addressed on multiple levels to contribute to excellence within FCPS. By modeling the application of PDSA and quality tools, building on Professional Learning Community (PLC) tenets and providing training and technical support to clusters and schools in the use of these tools, DA continues to create opportunities for the system to learn about, understand, and effectively sustain and improve academic achievement. Additionally, continuous improvement will be used to review processes, decisions and results that support the achievement of School Board goals. DA will collaborate with departments and clusters to offer further training and implementation of the PDSA model and Quality Tools in the 2007-2008 school year. All of these steps are instrumental in moving the school division forward along a continuum of excellence and will serve as an ongoing catalyst for achieving a robust system for accountability.

Board Comments:

See Summary Statement of the Board

3. Conduct a regular fiscal and performance audit of business functions.

Superintendent: A U
School Board: A U

Reasonable Interpretation:

The division will establish an audit committee consisting of two School Board members, the Superintendent, deputy superintendent, and the chief financial officer (as a non-voting member) to oversee the Office of Internal Audit. The Audit Committee will serve to promote, maintain, and enhance the independence and objectivity of the internal audit function of the school division by ensuring broad audit coverage, adequate consideration of audit or review reports, and appropriate action on recommendations. To this end, the committee shall review the annual audit plan, budget, and staffing needs of the Office of Internal Audit and shall make recommendations to the School Board as necessary.

Indicator(s):

- Establishment of the Audit Committee
- Committee's approval of the annual audit plan
- Quarterly status reports to the Audit Committee

Superintendent Statement of Condition:

Indicator 3.a.: The Fairfax County Superintendent of Schools and the Leadership Team are responsible for the effective and efficient administration of Fairfax County Public Schools (FCPS). This responsibility encompasses the requirements for accomplishing sound financial management, carrying out adequate reporting, maintaining an effective system of internal controls, complying with applicable rules and regulations, and maintaining the highest standards of ethical conduct. The School Board is responsible for ensuring compliance with laws and regulations, by visitation or other means, and for ensuring efficient operations. The School Board directs the Superintendent in these matters by adopting the budget and establishing School Board policy. Together the Superintendent and the School Board are responsible for attaining the school division's mission. To aid them in fulfilling their responsibilities, the School Board has formed an Audit Committee and has established the Office of Internal Audit, whose reporting responsibility is to the Audit Committee. The Audit Committee shall be composed of two School Board members appointed by the chair and confirmed by the entire School Board. The Superintendent and the deputy superintendent also shall be voting members of the committee. One of the School Board members will serve as chair. The chief financial officer will act as a nonvoting participant, and others may observe or participate as needed. In addition, the responsibilities of the Audit Committee, and its relationship with the Office of Internal Audit, are outlined in the Internal Audit Charter, Regulation 1420.1, effective 10-03-06 (Attachment 4).

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Internal Audit met the indicator 3.a. when at the July 27, 2006, regular School Board meeting, two School Board Members, Stephen Hunt and Catherine Belter, were appointed to the Audit Committee with Mr. Hunt serving as chair and with the establishment of the attached *Internal Audit Charter* on 10-03-06.

Indicator 3.b.: In accordance with Regulation 1420.1, *Internal Audit Charter*, the audit director shall submit an annual work plan reflecting scheduled audits and nonaudit activities to the Audit Committee for review and approval. The work plan shall be developed after consultation with the Audit Committee and acquisition of input from the Superintendent and other Leadership Team members and shall be based on an organizational risk assessment of the school division. Any additions, deletions, or deferrals to the approved audit plan shall be approved by the Audit Committee. The approved plan shall be submitted to the School Board for final approval. The audit director may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

Internal Audit developed the attached fiscal year 2007 annual audit plan (Attachment 5) which was approved by the Audit Committee on July 13, 2006, and by the School Board on July 27, 2006. The plan was subsequently presented to the Leadership Team on August 15, 2006, and posted to the Office of Internal Audit internet site.

Indicator 3.c.: The Audit Committee meets monthly, prior to the second regular School Board meeting, with the director of the Office of Internal Audit, to ascertain the current status of audit projects, review the results of internal audits, and discuss and approve changes to the approved audit plan. **Internal Audit prepared and presented a summary of projects completed during fiscal year 2007 to the Audit Committee on December 15, 2006. A copy of the status report is attached (Attachment 6).**

Board Comments:

See Summary Statement of the Board

4. Provide public access to audit results.

Superintendent: A U
School Board: A U

Reasonable Interpretation:

A written report will be prepared and issued by the audit director following the conclusion of each audit. The head of the audited activity or department will provide a written response which will become an integral part of the final report. The final audit report will be addressed to the Audit Committee. Copies will be provided to the affected department head, the Superintendent, applicable Leadership Team members, and School Board members after presentation to the Audit Committee. No earlier than two weeks following the report issuance a copy of the final report will be posted to the internal audit website to promote public access.

Indicator(s):

- Posting of audit reports on the Office of Internal Audit website
- Notification of report availability made via FCPS public website

Superintendent Statement of Condition:

Indicators 4.a. and 4.b.: Audit reports are addressed to the Audit Committee and copies are provided to the affected department head, the Superintendent, and applicable Leadership Team members after presentation to the Audit Committee. In addition, School Board members are provided copies of audit reports via the Superintendent's Friday Memo. **Approximately two weeks following report issuance, the audit report is posted on the Internal Audit internet site where it can be accessed in its entirety. On the date the report is posted on the Internal Audit website, an announcement is made on the FCPS public website under "New Today," indicating report availability and a brief statement regarding the audit coverage. In addition, to enhance the transparency of FCPS, the Office of Internal Audit has placed links to all past reports issued by the office on the web site. A list of posted audit reports is attached (Attachment 7).**

Board Comments:

See Summary Statement of the Board

Summary Statement of the Superintendent:

Summary Statement of the Board:

The School Board voted to accept the Superintendent's Operational Expectations Monitoring Report for Accountability/Audit at the February 12, 2007, work session as follows:

That the Board accept the Superintendent's accountability and audit monitoring report, as presented, as evidence of his status of compliance with the School Board's expectations in the operational area.

Areas for Improvement:

Areas of Commendation:

Commend staff for quality of monitoring report.

Goal(s) for Accountability and Audit for School Year:

Date for Re-Monitoring: February 2008