TO: Illinois State Board of Education
FROM: Robert E. Schiller, Superintendent
Karl Vogl, Chief Internal Auditor

Agenda Topic: Auditor General’s Audit of the Teachers Academy for Mathematics and Science

Materials: Auditor General’s Released Report (previously sent)

Staff Contact(s): Karl Vogl

Purpose of Agenda Item
To provide the Board with information regarding the report’s contents.

Expected Outcome(s) of Agenda Item
The Board will be informed of any issues identified by the Auditor General.

Background Information
House Resolution No. 304 directed the Auditor General to conduct a financial and performance audit of the Teachers Academy for Mathematics and Science. The Academy is a non-profit organization located in Chicago whose mission is to improve mathematics and science education in academically under-performing schools. The organization has been receiving direct appropriations through the agency, which currently amount to approximately $5 million per year. During FY 2001 ISBE provided additional funding for the Academy to extend services to teachers in Joliet and East St. Louis.

Analysis and Implications for Policy, Budget, Legislative Action and Communications
The audit report has nine findings, seven of them are addressed to ISBE. The Auditor General recommends that the agency provide greater fiscal and programmatic oversight over the project, and to evaluate identified questioned costs. ISBE has begun to develop stronger oversight procedures which will be implemented for future projects. A process for the evaluation of questioned costs is also under development; the Academy
has already refunded some of the questioned costs. The agency will incur additional administrative costs for the increased oversight.

**Policy Implications**

The Auditor General's recommendations for increased oversight will impact the role the Board and the agency will play monitoring and evaluating the Teachers Academy for Mathematics and Science.

Policy Implications
The agency will need to increase its oversight and monitoring activities.

Budget Implications
The agency will incur additional costs, mainly in the personal services area, that are associated with the increased oversight activities.

Legislative Action
The Board may want to request the legislature to set aside 2% of the Academy’s appropriation to cover the costs related to the increased oversight functions.

**Superintendent’s Recommendation**

The Superintendent recommends that the Board accept the Auditor General’s report and request that the legislature fund the additional costs related to the agency’s increased administrative functions.

**Next Steps**

Agency staff will continue with development and implementation of the new oversight process, and to evaluate questioned costs.