

2016-117 AUDIT SCOPE AND OBJECTIVES

Alliance Charter Management Organization Expenditures

The audit by the California State Auditor will provide independently developed and verified information for the most recent two-year period related to the Alliance College-Ready Public Schools management organization and the charter schools under its operational jurisdiction (Alliance), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. For the charter schools overseen by Alliance, identify the source and amount of funding received and, to the extent possible, determine whether public and private funds are comingled.
3. For the charter schools overseen by Alliance, identify the major categories of spending including, but not limited to, salary, wages and benefits for teachers, administrative costs, contract costs, and legal fees. Further, identify the percentage of funding spent on classroom instruction.
4. Determine whether a selection of expenditures of funds were allowable and reasonable.
5. To the extent possible, determine the following expenditures relating to teacher unionization:
 - a. The amount of money Alliance spent to write, develop, print, duplicate, and distribute communication, paper or electronic, to Alliance educators, parents, and alumni referencing teacher unionization efforts.
 - b. The amount of money Alliance spent to hire consultants who have assisted in developing communications, planning documents, and strategies relating to teacher unionization efforts.
 - c. The cost of all legal services including, but not limited to, the costs to respond to any complaints issued by the Public Employment Relations Board and to respond to and litigate the injunction issued by the Los Angeles County Superior Court against Alliance.
 - d. Whether the schools' individual boards of directors and the Alliance board of directors were involved in deciding how, when, and to what extent to allocate resources relating to teacher unionization efforts, rather than to the classroom.
6. Examine the policies, procedures, and practices by which Alliance, on behalf of the charter schools it manages, shares parent, student, and alumni information with third-party organizations including, but not limited to, the California Charter Schools Association.
7. Determine whether parent, student, and alumni information was shared by Alliance or its charter schools in conflict with confidentiality laws, policies, or practices.
8. Review and assess any other issues that are significant to the audit.