
Superintendent of Public Instruction (SPI)

Agency: 350**Audit Report:** 1000730**Finding Number:** 001

Finding: The Office of Superintendent of Public Instruction does not have adequate internal controls in place to ensure all personal service, client service and purchased service contracts and amendments comply with the State Administrative and Accounting Manual and General Administration Office regulations.

Resolution: Initially, the Office of Superintendent of Public Instruction (SPI) notified all division heads and requested they contact vendors without approved contracts and have them stop work until contracts were fully approved. SPI then took the following actions:

1. SPI initiated discussions with all of its divisions to determine the cause of the contracts issues and why the issues occurred. Three main causes were identified: the contracts office not returning the contracts to the divisions timely, the vendors not returning the contracts timely, a misunderstanding by contract managers that legislatively mandated contracts must comply with the same requirements as all other contracts regarding approval dates, etc.
2. SPI changed procedures so the status of contracts is reviewed on a weekly basis. The contracts administrator meets with all divisions with current contracts in the process of approval to discuss timelines and ensure that requirements are being met. In addition, the chief of staff and assistant superintendent of Financial Services both approve all contracts and meet weekly with the contracts administrator to discuss any questions they have prior to approval. This additional review and inquiry helps to ensure compliance with contract provisions.
3. SPI has assigned a person from each division to be the point of contact responsible for contract review prior to submission to the Contracts Office.
4. SPI is sharing best practices among its divisions and periodically discusses contract requirements at director's meetings to reinforce the importance of compliance with contract regulations.
5. SPI utilizes the state contracting requirements detailed in the *State Administrative and Accounting Manual* to ensure compliance with all contracts.

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