



Los Angeles Unified School District
Office of the Inspector General
Internal Audit

Audit Report

Academia Semillas del Pueblo Charter School

OA 12 – 492

December 03, 2012

About the Office of the Inspector General

The Office of the Inspector General reports directly to the Board of Education. We conduct independent audits, reviews and investigations of District operations, contracts and vendors in order to:

- ✓ Find ways to improve processes, programs, functions and activities
- ✓ Provide information that supports effective decision making
- ✓ Identify real or potential misuse of District resources
- ✓ Prevent and detect waste, fraud and abuse within the District

Through our work, we strive to encourage a culture of accountability, transparency, collaboration and excellence and to assist the Board and the Superintendent in their efforts to provide a high quality education for the students and parents of the Los Angeles Unified School District.





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December 3, 2012

José Cole-Gutierrez
Director, Charter Schools Division
333 S. Beaudry Avenue, 20th Floor
Los Angeles, CA 90017

SUBJECT: AUDIT OF ACADEMIA SEMILLAS CHARTER SCHOOL (OA 12-492)

Dear Mr. Cole-Gutierrez:

This is our report on the subject audit. We are issuing a memorandum report to expedite the communication of the issues in this report to the appropriate parties.

PURPOSE

The objective of the proposed audit was to determine whether the Board of Directors and management of the Academia Semillas Charter School were adhering to the conditions, standards and procedures outlined in its Charter Agreement with the Los Angeles Unified School District.

BACKGROUND

Semillas Sociedad Civil DBA Academia Semillas del Pueblo (Semillas) is located at 4736 South Huntington Drive, Los Angeles, CA 90032. Semillas represents two community-based charter schools in East Los Angeles:

- Xinaxcalmecac Academia Semillas del Pueblo (grades K-8), and
- Anahuacalmecac International University Preparatory High School of North America (grades 9-12).

Semillas was incorporated on May 1, 2002 as a non-profit public benefit corporation and obtained tax-exempt status under section 501(c)(3) of the Internal Revenue Code. Semillas is governed in accordance with applicable California Corporations Code Sections and is established to operate charter schools.

This audit was specifically done at the request of the Charter School Division (CSD) as part of the OIG's FY 2011-12 Annual Work Plan to support the CSD in monitoring the operational and financial aspects of District Charter Schools.

In an attempt to perform this audit, we:

- Reviewed applicable laws and regulations pertaining to Charter Schools operations
- Requested pertinent school records for FY 2010-11, including, but not limited to:
 - Governance structure
 - Attendance accounting
 - Admission/Enrollment processes
 - Financial records and fund reserves data, and
 - Internal controls environment

RESULTS

Generally Accepted Government Auditing Standards (GAGAS) require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. These same standards also require the following:

Auditors should also report any significant constraints imposed on the audit approach imposed by information limitations or scope impairments, including denials or excessive delays of access to certain records or individuals.¹

We could not conduct the audit because the management of Academia Semillas Charter School did not provide us the requested information or documentation to plan the audit work to address the audit objectives. Repeated attempts to obtain this information from the school were unsuccessful and the school chose to communicate to the OIG exclusively through its legal counsel.

As a result, we are reporting a scope limitation for this audit due to the following reasons:

- There was no data to be audited since Academia Semillas Charter School did not provide the records and documentation requested by the Office of the Inspector General for this audit.
- Lack of cooperation from the management of Academia Semillas Charter School in any form or manner during the planning phase of this audit.

Accordingly, we are unable to provide an opinion on the financial condition or on other compliance and internal control issues affecting the Academia Semillas Charter School for the period under review.

Sincerely,



Katharine Monishi
Deputy Inspector General, Interim



Alfred Rodas
Inspector General, Interim

¹ Government Auditing Standards, 2011 Revision, United States Government Accountability Office, Section 7.11

cc: Members, Board of Education
Superintendent of Schools
Sr. Deputy Superintendent of School Operations
Chief Strategy Officer
General Counsel

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