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CITIZENS SUMMARY

Findings in the audit of St. Louis Public Schools - General District Operations

Board of Education

The Board of Education does not act as an effective governing body. The Board and former Superintendent Dr. Keisha Scarlett did not demonstrate a commitment to integrity and ethical values or a "tone at the top" necessary to effectively lead the district. The inadequate tone at the top, lack of internal communications, and deficient internal control monitoring has fostered a culture that lacked accountability and eroded public trust. The Board spends an unnecessary amount on travel, has not acted in a fiscally prudent manner while traveling, and does not always obtain approval to attend conferences as required. The Board unnecessarily spent approximately $75,000 during the period July 1, 2023, through July 31, 2024, for 2 in-state conferences and 7 out-of-state conferences for Board members. Board members did not obtain approval to attend 5 out of 9 conferences during the period July 1, 2023, through July 31, 2024, as required by Board policy.

Real Estate

The district has not effectively managed its inventory of closed school buildings and has not sold property in compliance with state law, resulting in potentially lost opportunities to maximize property value and increased costs associated with maintaining vacant facilities. The district sold 4 properties in violation of state law from June 2022 through June 2025. During this period, the district did not solicit open bids for properties sold and did not publicize the sales as required by state law when selling property without a real estate broker. The district was holding 7 of its 22 closed buildings for future use despite decommissioning the buildings between 4 to 22 years ago and classifying 4 of the 7 buildings in fair or poor condition. These buildings are currently incurring costs to maintain and would require significant investment to be recommissioned. Additionally, the district limited available buyers by including inapt conditions in its Administration Campus property listing and not adequately updating its surplus property website. In fiscal year 2024, the district spent $70.8 million for building maintenance and upkeep costs for all of its buildings (open and closed properties).

Transportation

District officials did not adequately enforce contract provisions or impose contract penalties for noncompliance, which allowed performance issues to continue with the primary transportation vendor for the 2023-2024 school year. Deficiencies and concerns identified included inadequate percentage of on-time performance of buses; consistent shortage of drivers resulting in missed or uncovered routes; untimely or no communication about tardy, doubled, or uncovered routes; frequency of bus breakdowns; and incomplete data reporting. The district did not enforce contract penalties for the vendor's failure to meet safety inspection requirements, resulting in students riding in potentially unsafe buses. The noncompliance of the vendor resulted in the district being forced to rush to find transportation vendors for the 2024-2025 school year. As a result of the changes in transportation vendors, families faced significant challenges getting their students to and from school safely and timely, and the district incurred significant increased transportation expenses, which could have been partially offset if the district had made a claim on the vendor's performance bond.

Academic Oversight	The district has not developed a written Reading Success Plan (RSP) policy, as required by state statute, despite students scoring below grade level in reading assessments. During the 2023-2024 school year, there were 2,658 students with RSPs (approximately 16%). The Board did not review or approve district-wide curriculum revisions as required by policy.
Safety Drills	District schools did not always perform safety drills in accordance with the district's guidance, and guidance is inconsistent and does not address all required drills. A review of the district's school safety drill log for the 2023-2024 school year found of the 63 schools listed, 12 did not complete all 10 required fire drills, 5 schools did not complete the 2 required tornado drills, 4 schools did not complete the 2 required earthquake drills, and 7 schools did not complete the 2 required intruder drills.
Sunshine Law	The Board does not always adequately document the reason for closed sessions, discussed topics during closed session that were not allowed, approved meeting minutes missing key information, and did not approve past meeting minutes timely. District procedures for record requests were inadequate and personnel did not maintain an adequate Sunshine Law request log. As a result, the district did not always respond to records requests timely, and from June 2023 through August 2024, the district's average number of days between initial record request and fulfillment was 44 days.
Contracts	The district has not established written agreements with some contractual parties, leaving it susceptible to unnecessary liability and misunderstandings, because parties may not clearly understand their roles and responsibilities. The district paid 1 Student Support Services vendor $24,960 in excess of the agreement.
District Financing	The district issued general obligation (GO) bonds using a negotiated sale rather than a competitive sale process and did not solicit proposals for underwriting services. The bonds were also sold in a private sale without advertisement. As of June 30, 2024, the district had outstanding bond debt totaling $258.7 million from GO and GO refunding bond issuances from 2010 to 2023. The district's bond underwriter received fees for the bond issuances, from 2010 to 2023, totaling approximately $1.8 million.
Attendance	Neither the district's prior nor new attendance systems sufficiently limit the time period when changes can be made and there was no review by district officials to ensure changes made to school year attendance records were appropriate. The extended time period allowed for changes and excessive user access increase the risk of erroneous changes or improper activity affecting attendance reports. The district does not provide sufficient guidance on attendance procedures to school personnel, resulting in varied attendance processes at district schools.

Cash Handling Controls and Procedures	The district has not sufficiently communicated district procedures for handling receipts to schools resulting in inconsistent cash handling procedures for student activity accounts. Personnel at 20 schools indicated they did not have written procedures for receipting and depositing money. Personnel at 5 of those schools indicated that they had at least 1 cash box on hand, and 2 indicated they had money on the premises at the time of our inquiries. Some school officials surveyed indicated the district did not provide cash handling training or procedures.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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RECOMMENDATION SUMMARY

Recommendations in the audit of the St. Louis Public Schools - General District Operations

Board of Education	The Board of Education: 1.1 Reinforce its commitment to integrity and ethical values, enhance internal communications, and strengthen oversight and risk monitoring practices to support a more effective internal control system. 1.2 Ensure costs incurred by the Board for training are a necessary and prudent use of taxpayer money, and implement procedures to ensure compliance with Board policies and bylaws.
Real Estate	The Board of Education continue to evaluate real estate condition and usage, consider selling unused buildings, ensure actions are taken to maximize the available buyers and sale price of listed properties, and ensure future property sales are compliant with state law. In addition, the Board should timely update the surplus properties website to ensure the accuracy of publicly available information.
Transportation	The Board of Education ensure the district obtains necessary reports to effectively monitor contract compliance and assess penalties in accordance with contract terms, and ensure future transportation contract provisions adequately protect the district from relevant risks.
Academic Oversight	The Board of Education: 4.1 Establish a Reading Success Plan (RSP) policy as required by statute to help address student reading scores. 4.2 Ensure all changes to curriculum are reviewed and approved by the Board and ensure Board policies and district procedures are consistent and appropriately communicated.
Safety Drills	The Board of Education ensure safety drills are conducted as required by Board policy and state law and ensure regulations and guidelines are consistent and appropriately communicated to the appropriate school officials.
Sunshine Law	The Board of Education: 6.1 Ensure specific reasons for closing a meeting are documented in the open minutes and only topics allowed by state law are discussed in closed meetings. In addition, the Board should ensure meeting agendas contain all required information and meeting minutes are complete, accurate, sufficiently detailed, and approved timely. 6.2 Continue to maintain a detailed records request log and ensure records requests are responded to in accordance with state law.

Contracts	The Board of Education enter into written agreements defining services provided and benefits received, and monitor the agreements for compliance. In addition, ensure amounts paid agree with contract terms, adequate supporting documentation is retained to support payments made, and payments in excess of contract terms are approved by the Board.
District Financing	The Board of Education consider open competition in bond sales and underwriter services in any future bond issues.
Attendance	The Board of Education: 9.1 Continue to implement additional controls and procedures over attendance data, including restricting the time period when changes can be made without authorization, limiting user access rights to only what is necessary to perform job duties, and reviewing available reports. In addition, the Board of Education should ensure available capabilities in the new attendance system are used to periodically review attendance changes. 9.2 Update the attendance procedure manual to ensure attendance procedures are performed consistently and as the Board intended.
Cash Handling Controls and Procedures	The Board of Education ensure district procedures are consistent and communicated to all employees responsible for collecting student fees and donations.