

**§ 39.406 What documentation must the school maintain for additional services it provides?**

Every school must maintain a file on each student receiving additional services. (Additional services include homebound services, institutional services, distance courses, Internet courses or college services.) The school must certify, and its records must show, that:

- (a) Each homebound or institutionalized student is receiving 5 contact hours each week by certified educational personnel;
- (b) Each student taking college, distance or internet courses is in physical attendance at the school for at least 3 certified contact hours per day.

**§ 39.407 How long must a school maintain records?**

The responsible administrative official for each school must maintain records relating to ISEP, supplemental services, and transportation-related expenditures. The official must maintain these records in appropriate retrievable storage for at least the four years prior to the current school year, unless Federal records retention schedules require a longer period.

**§ 39.408 What are the responsibilities of administrative officials?**

Administrative officials have the following responsibilities:

- (a) Applying the appropriate standards in this part for classifying and counting ISEP eligible Indian students at the school for formula funding purposes;
- (b) Accounting for and reporting student transportation expenditures;
- (c) Providing training and supervision to ensure that appropriate standards are adhered to in counting students and accounting for student transportation expenditures;
- (d) Submitting all reports and data on a timely basis; and
- (e) Taking appropriate disciplinary action for failure to comply with requirements of this part.

**§ 39.409 How does the OIEP Director ensure accountability?**

- (a) The Director of OIEP must ensure accountability in student counts and

student transportation by doing all of the following:

- (1) Conducting annual independent and random field audits of the processes and reports of at least one school per OIEP line office to ascertain the accuracy of Bureau line officers' reviews;
- (2) Hearing and making decisions on appeals from school officials;
- (3) Reviewing reports to ensure that standards and policies are applied consistently, education line officers treat schools fairly and equitably, and the Bureau takes appropriate administrative action for failure to follow this part; and
- (4) Reporting the results of the findings and determinations under this section to the appropriate tribal governing body.

(b) The purpose of the audit required by paragraph (a)(1) of this section is to ensure that the procedures outlined in these regulations are implemented. To conduct the audit required by paragraph (a)(1) of this section, OIEP will select an independent audit firm that will:

- (1) Select a statistically valid audit sample of recent student counts and student transportation reports; and
- (2) Analyze these reports to determine adherence to the requirements of this part and accuracy in reporting.

**§ 39.410 What qualifications must an audit firm meet to be considered for auditing ISEP administration?**

To be considered for auditing ISEP administration under this subpart, an independent audit firm must:

- (a) Be a licensed Certified Public Accountant Firm that meets all requirements for conducting audits under the Federal Single Audit Act;
- (b) Not be under investigation or sanction for violation of professional audit standards or ethics;
- (c) Certify that it has conducted a conflict of interests check and that no conflict exists; and
- (d) Be selected through a competitive bidding process.

**§ 39.411 How will the auditor report its findings?**

- (a) The auditor selected under § 39.410 must: