



Vanguard Academy Warning Letter

Dear Vanguard Academy,

The State Charter School Board (SCSB) and staff are committed to advancing choice, innovation, and student success through rigorous authorizing and supportive oversight so that every student has access to an excellent education that meets their unique learning needs. In this, the SCSB expects the charters that it authorizes to provide both an excellent education for students and good stewardship of public funds. As your authorizer, we value the service Vanguard Academy provides to students. This warning letter provides you notice of deficiencies consistent with U.C.A. 53G-5-501, but it also provides you opportunity and support to resolve the deficiencies.

Two motions were passed in the meeting regarding Vanguard Academy. This letter will deal with one of those motions and serves as written notification consistent with UCA 53G-5-501.

Motion: Vanguard Academy be placed on warning status until all findings have been corrected.

The findings [deficiencies] are:

Deficiency #1 - The owners of seven out of the twenty vendors tested (O'Brien Property Maintenance LLC, Ensign Learning Center, Standard Restaurant Equipment, TechRight, AAA Security, ZMPC9, and Premier Catering & Food Services) appear to have had prior personal relationships with Vanguard Academy because these business owners all share the same last name. Therefore, SCSB staff asserts that a reasonable person would perceive that there was some form of favoritism or bias that influenced Vanguard Academy's objectivity in the selection of these vendors. In addition, four of these seven vendors (O'Brien Property Maintenance LLC, Ensign Learning Center, Inc., Standard Restaurant Equipment, and ZMPC9) and a Board Member share the same registered agent and address. It appears very unlikely that all these vendors could be associated with the same registered agent and address without some sort of prior relationship. **UNRESOLVED.**

Deficiency #2 - The food vendor (Premier Catering & Food Services) contract is for lunch meals, but Vanguard Academy is also paying for breakfast meals. In addition, Vanguard Academy is paying the food vendor for employee meals. **Ongoing. Vanguard is still working with Child Nutrition Program.**

Deficiency #3 - Four requested vendor contracts (O'Brien Property Maintenance LLC, U.S.S.A., AAA Security, and ZMPC9) were not provided. **RESOLVED.**

Deficiency #4 - Vanguard Academy did not obtain the required number of competitive bids or quotes for two of the transactions tested (AAA Security and Amazon.com). **RESOLVED.**



Deficiency #5 - The gym facility Vanguard Academy uses (ZMPC9) states on their website that, “you must be a member of the LDCC in order to use the gym facility.” SCSB staff does not know what LDCC stands for; however, this was concerning to SCSB staff because it appears to exclude students that are not members of LDCC. **RESOLVED.**

Deficiency #6 - One vendor (ZMPC9) bills their invoices as donations and these payments are not reported as donations in Vanguard Academy’s audited financial statements. **RESOLVED.**

Deficiency #7 - The facility lease agreement (Ensign Learning Center, Inc.) was signed by Vanguard Academy’s Director instead of the Board Chair. **RESOLVED.**

Deficiency #8 - Two facility lease amendments with Vanguard Academy’s landlord (Ensign Learning Center, Inc.) were not submitted to the SCSB for review and advice as per Utah Code 53G-5-404(9). **RESOLVED.**

Deficiency #9 - For one of the twenty transactions tested (TechRight, one of the evaluators appears to have a personal relationship (extended family) with the owner of the business. Although this evaluator and the owner of the business are not considered to be family as defined by 63G-6a-2402(3) which states that, “a family member means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.”, it appears that this evaluator’s independence and/or objectivity may have been influenced due to the perceived prior relationship. **UNRESOLVED.**

Deficiency #10 - Vanguard Academy paid a signing bonus to a new employee (Rachelle White) but could not provide any documentation showing who approved the bonus or that it was approved by their Board. **RESOLVED.**

Deficiency #11 - Vanguard Academy’s Procurement Policy states that purchases of goods and services over \$5,000 need Finance committee approval. However, six of the twenty transactions tested (O'Brien Property Maintenance LLC, Ensign Learning Center, Inc., Southwest Education, AVID Center, Premier Catering & Food Services, and Amazon.com) were over \$5,000 and there was no documentation showing their Finance Committee approval. **RESOLVED.**

Deficiency #12 - In addition to the findings noted above from the Procurement Audit, Vanguard Academy did not respond to the Program Accounting Risk Assessment Survey that was sent to all LEAs on February 10, 2021. A follow-up email was sent on March 9, 2021. The purpose of the survey was to assess the risk of non-compliance with Program Accounting. Since Vanguard Academy did not respond to the survey, SCSB staff was not able to assess the risk of non-compliance with Program Accounting. This is an additional issue that must be corrected. **UNRESOLVED.**



In order to be removed from Warning status, Vanguard Academy must:

1. Meet with SCSB staff to assess the root cause of each deficiency.
2. Create and submit a plan and timeline to remedy each deficiency, including at least one midpoint review to show progress made on the deficiencies.
3. With SCSB staff, identify training or mentoring needs. All relevant individuals must participate in the training or mentoring.
4. Resolve all deficiencies listed above and provide clear and objective evidence of the resolution. Resolution of the deficiencies will be assessed by SCSB staff according to statute, administrative rule, and the charter agreement.
5. Resolve any additional concerns or deficiencies found through the root cause assessment.

Until resolved, this Warning impacts the charter's status so that Vanguard Academy cannot be considered in Good Standing until all the above terms are met. It is the SCSB's sincere hope that Vanguard Academy will work with us to implement the practices that contribute to the greatest success.

Stewart Okobia, Financial Compliance Manager, will be your point of contact on this Warning status. Please contact him with any questions about the deficiencies. However, you will also be working with other SCSB staff to assess the causes of the deficiencies and to get training or mentoring.

The SCSB values Vanguard Academy's service to students. We want to support your work as a public school by identifying these deficiencies and helping you work through them. We look forward to working with you through this process.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Lambert".

Jennifer Lambert
Executive Director, State Charter School Board

cc: Kent Johnson, Board Chair
David E. Kingston, Vice Chair
Grace Mitchell, Treasurer



Kimly C. Mangum, Board Member
Dr. Darren Jenkins, Board Member
Eric Freeman, Board Member
Scott Kingston, Board Member
Stephanie Evans, Board Secretary
Suzanne Owen, Director
John Williams, Business Manager
SCSB Board