

Corrective Action Plans and  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

**A. FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

**2020-001 Timeliness and Accuracy of Reconciliations**

**Finding Summary**

Due to a significant amount of staff transition in the Independent School District No. 273, Edina, Minnesota's (the District) Business Services Department, the effectiveness of some internal control procedures, including periodic and year-end account reconciliations, were diminished due to a lack of timeliness and accuracy.

**Corrective Action Plan**

**Actions Planned** – The District will continue to review its internal controls over financial reporting, assure adequate training is provided to the individuals responsible for performing critical financial reporting control procedures, and monitor the effectiveness of these controls.

**Official Responsible** – John Toop, Director of Business Services.

**Planned Completion Date** – June 30, 2021.

**Disagreement With or Explanation of Finding** – The District agrees with this finding.

**Plan to Monitor** – John Toop, Director of Business Services, will monitor the implementation of these corrective actions as determined by the Controller to ensure these control procedures are completed timely and accurately, and that district controls over financial reporting are functioning appropriately in the future.

INDEPENDENT SCHOOL DISTRICT NO. 273

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Year Ended June 30, 2020

**B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF AGRICULTURE, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, CHILD NUTRITION CLUSTER – CFDA NOS. 10.553, 10.555, AND 10.559**

**2020-002 Internal Control Over Compliance With Federal Suspension and Debarment Requirements**

**Finding Summary**

2 CFR § 180 requires the District to establish and maintain effective internal control over compliance with requirements applicable to federal program expenditures, including suspension and debarment requirements applicable to the child nutrition cluster program. The District did not have sufficient controls in place within its child nutrition cluster of federal programs to ensure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

**Corrective Action Plan**

**Actions Planned** – The District will review policies and procedures relating to suspension and debarment for its federal programs and will ensure that all parties with which it contracts for goods or services are eligible to participate in contracts involving the expenditures of federal program funding.

**Official Responsible** – John Toop, Director of Business Services.

**Planned Completion Date** – June 30, 2021.

**Disagreement With or Explanation of Finding** – The District agrees with this finding.

**Plan to Monitor** – John Toop, Director of Business Services, will assure appropriate internal controls are in place to verify that any vendor with which the District contracts for goods or services exceeding \$25,000 is not listed as suspended or debarred on the federal Excluded Parties List System website.

INDEPENDENT SCHOOL DISTRICT NO. 273

Corrective Action Plans and  
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**C. MINNESOTA LEGAL COMPLIANCE FINDINGS**

**2020-003 Withholding Affidavit**

**Finding Summary**

Minnesota Statutes require the District to obtain Form IC134 or a Contractor's Withholding Affidavit prior to making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractors. For one project selected for testing, the District did not obtain a Form IC134 or a Contractor's Withholding Affidavit before making final payment to the contractor.

**Corrective Action Plans**

**Actions Planned** – The District will review policies and procedures to ensure compliance with this statute in the future.

**Official Responsible** – John Toop, Director of Business Services.

**Planned Completion Date** – June 30, 2021.

**Disagreement With or Explanation of Finding** – The District agrees with this finding.

**Plan to Monitor** – John Toop, Director of Business Services, will ensure policies and procedures are updated and in place to ensure compliance with state statutes in the future.

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No audit findings were reported for the year ended June 30, 2019.