

## **District Corrective Action Plan for June 30, 2022 Annual Financial Audit**

The annual financial audit was conducted during the month of August 2021 and the annual financial report was accepted by the Board of Education on October 20, 2021. Below are the responses to the statements included in the Internal Control over Financial Reporting section of the Report to Those Charged with Governance.

### **Capital Projects Fund Accounts Payable**

During our audit of the activity in the Capital Projects Fund, we noted that in the balance reported for accounts payable that there were ten invoices totaling approximately \$137,000 that were over one year old.

#### **Corrective Action Plan:**

The Assistant Superintendent for Business and Treasurer will review the accounts payable items that are over one year old to evaluate whether they can be closed or remain open in order to satisfy a current liability. Those monies set aside that are deemed to be not necessary will be closed and balances written off to the appropriate fund. It is expected this corrective action will be completed by December 1, 2022.

### **Journal Entries**

We noted during our testing of journal entries throughout the year that two entries out of the ten we selected did not have documentation of supervisory approval.

#### **Corrective Action Plan:**

The Treasurer will review the current approval process for journal entries and develop a system where documentation of supervisory oversight is completed. It is expected this corrective action will be completed by November 1, 2022.

## **Other Matters**

### **Payroll**

The School District's payroll software program allows for the production of a payroll change report each pay period. This report provides a listing of any changes that occurred since the previous pay period. It allows the School District to ensure that any changes to payroll records have been done properly and with appropriate approvals. We noted that while the School District does generate these reports each pay period, there is no evidence of supervisory review and sign off.

#### **Management Response**

The District uses the payroll change report as a helpful tool each payroll period to analyze changes to employee pay amounts. District officials will continue to review and analyze the report on a bi-weekly basis and will now signoff on the document to substantiate their review on a formal basis.