



SOUTH WASHINGTON COUNTY SCHOOLS
Independent School District 833
7362 East Point Douglas Rd S.
Cottage Grove, MN 55016
sowashco.org | 651-425-6300

Corrective Action Plans
Year Ended June 30, 2022

A. FINANCIAL STATEMENT FINDINGS

None.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS

2022-001 CONTRACT LANGUAGE – PAYMENT OF SUBCONTRACTORS AND RESPONSIBLE CONTRACTOR

Finding Summary

Minnesota Statutes § 471.425, Subd. 4a. and § 16C.285 necessitates Independent School District No. 833 (the District) to include specific language in certain contracts that requires the prime contractor to pay any subcontractors within 10 days of the prime contractor’s receipt of payment from the District or pay interest at the rate of 1.5 percent per month or any part of a month. For construction contracts in excess of \$50,000 awarded pursuant to a lowest responsible bidder or best value process, the District must also include responsible contractor language that requires the contractor to meet certain criteria. The required language previously mentioned was not included in one of the contracts awarded during the year ended June 30, 2022.

Corrective Action Plan

Actions Planned – The District will review its procedures to ensure the required contract language is included in all district contracts in the future.

Official Responsible – Kris Blackburn, Fiscal Services Director.

Planned Completion Date – June 30, 2023.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – The District’s Fiscal Services Director will ensure appropriate internal controls and procedures are updated and in place for future compliance.

