



AUDIT FINDING CORRECTIVE ACTION **2021-2022**

Tracy Unified School District - Includes Tracy Independent Study Charter School

San Joaquin County, California

FINDING CATEGORY Internal Controls - Material Audit Adjustments

FINDING # 1

PAGE: # 101

Describe below specific corrective action used in resolving audit finding:

Specifically address each individual item within the finding. Be certain that your responses are clear and concise. You will need to provide all documentation which supports the specific action taken toward resolving the finding; i.e., copies of amended reports, corrective action plans, etc.

Attach all pertinent documentation. Number of attachments for this finding: 1

The informal internal controls process for ASB accounting has been reviewed and updated to ensure proper recording in the general ledger. The Coordinator of Financial Services will review the June 30 bank statements to ensure the cash balances are properly reflected in the general ledger. The District has strengthened the oversight for the Bond Interest and Redemption Fund. The payments for wire transfers will not be submitted for payment until the Director of Facilities has reviewed and approved for payment. This will ensure financial activities are accurately recorded.

The following finding represents a material weakness related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Five Digit Code
30000

AB 3627 Finding Type
Internal Control

2022-001 Material Audit Adjustments (30000)

Criteria

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Additionally, management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Condition

We were requested to draft the financial statements and related to notes to the financial statements. ASB cash balance did not agree to the bank reconciliations as of June 30, 2022. Cash balance was overstated by 261,974. In addition, the county cash for the Bond Interest and Redemption Fund was incorrectly transferred out to pay debt service payments for the defeased bonds in the escrow accounts. Audit adjustments were required to correct these errors.

Cause

The ASB cash adjustment appears to be due to errors in the ASB cash account reconciliations. Errors related to the improper cash transfer of debt service payments for the Bond Interest Redemption Fund appear to be management oversight during the review of the transaction request.

Effect

Audit adjustments were necessary in order for the District's financial statements to be fairly stated, in all material effect.

Recommendation

We recommend that management review the design of the District's internal controls over reconciliation of the ASB cash to ensure ASB activities are accurately recorded in the proper general ledger accounts. In addition, we recommend management strengthen the oversight of the financial transactions review process to ensure financial activities are accurately recorded in the district's general ledger.

Repeat Finding

No.

Corrective Action Plan and Views of Responsible Officials

We concur with this finding. The District will update our procedures and oversight to ensure ASB activities are accurately reflected in the general ledger. The District will strengthen the oversight of financial transactions to ensure financial activities are accurately recorded.



AUDIT FINDING CORRECTIVE ACTION

2021-2022

Tracy Unified School District - Includes Tracy Independent Study Charter School

San Joaquin County, California

FINDING CATEGORY Attendance - Attendance Accounting and Reporting

FINDING # 2

PAGE: # 103

Describe below specific corrective action used in resolving audit finding:

Specifically address each individual item within the finding. Be certain that your responses are clear and concise. You will need to provide all documentation which supports the specific action taken toward resolving the finding; i.e., copies of amended reports, corrective action plans, etc.

Attach all pertinent documentation. Number of attachments for this finding: 1

The District has implemented procedures and monthly training for attendance staff to ensure proper documentation for absent students and that ineligible attendance is not included in the ADA and attendance reporting is accurate.

The following findings represent instances of noncompliance and material weaknesses in internal controls over compliance that are required to be reported by the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
70000	Instructional Materials

2022-002 10000 – Attendance Accounting and Reporting

Criteria

According to the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations* and published by the Education Audit Appeals Panel, absences should not be included in ADA calculation.

Condition

During our audit of the Monte Vista Middle School attendance, it was noted that the attendance for 27 students who were absent were incorrectly reported in the attendance system as present.

Questioned Costs

No questioned costs. The District has submitted the amended P2 to correct these errors. The amended P2 was submitted at the same time as the District submit the Annual Attendance Report.

Effect

The District was not properly reporting the attendance as required by the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Cause

The exceptions noted above appear to be due to the "All Day Code" was not selected when a student was absence for all periods.

Repeat Finding

No.

Recommendation

District should ensure site personnel in charge of the attendance reporting receive adequate training to ensure attendance is accurately accounted for.

Corrective Action Plan and Views of Responsible Officials

We concur with this finding. Procedures and training for attendance staff have been implemented to ensure attendance reporting is accurate.



AUDIT FINDING CORRECTIVE ACTION 2021-2022

**Tracy Unified School District - Includes Tracy Independent Study Charter
School**

San Joaquin County, California

FINDING CATEGORY All Other - Instructional Materials

FINDING # 3

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Describe below specific corrective action used in resolving audit finding:

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Attach all pertinent documentation. Number of attachments for this finding: 1

The District's Associate Superintendent of Education Services will monitor the Director of Instructional Media Services to ensure the Instructional Materials program will be published 10-days prior to the public hearing and the public hearing will be held no later than the 8th week of the school year, as required.

2022-003 70000 – Instructional Materials

Criteria

According to the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations* and published by the Education Audit Appeals Panel, District is required to provide 10-day notice of the required public hearing for making a determination through a resolution as to the sufficiency of textbooks or other instructional materials. [*Education Code* Section 60119].

Condition

During our audit of the Instructional Materials program, it was noted that the notice of public hearing was published 7 days prior to the public hearing instead of 10-day as required.

Questioned Costs

No questioned costs associated with this requirement.

Effect

The District was not in compliance with the state requirements for Instructional Materials program.

Cause

This appears to be an oversight during the developing the timelines for the public notice and public hearing process.

Repeat Finding

No.

Recommendation

The District should implement procedures to ensure 10-day notice of the public hearing is provided for instructional materials program.

Corrective Action Plan and Views of Responsible Officials

We concur with this finding. The District's Associate Superintendent for Education Services will monitor the Director of Instructional Media Services to ensure the Instructional Materials program will be published 10-days prior to the public hearing and that the public hearing will be held no later than the 8th week of the school year, as required.



AUDIT FINDING CORRECTIVE ACTION

2021-2022

Tracy Unified School District - Includes Tracy Independent Study Charter School

San Joaquin County, California

FINDING CATEGORY Attendance - Attendance Accounting and Reporting (Charter School
Nonclassroom-Based Instruction/Independent Study

FINDING # 4

PAGE: # 105

Describe below specific corrective action used in resolving audit finding:

Specifically address each individual item within the finding. Be certain that your responses are clear and concise. You will need to provide all documentation which supports the specific action taken toward resolving the finding; i.e., copies of amended reports, corrective action plans, etc.

Attach all pertinent documentation. Number of attachments for this finding: 1

The District has implemented procedures and oversight to ensure nonclassroom-based instruction/independent study personnel have proper training for District compliance with the nonclassroom-based instruction/independent study attendance accounting and reporting. All students must attend an in-person mandatory orientation meeting where the master agreement is reviewed and signed for all students. No students will be enrolled until they attend the in-person meeting and have a signed master agreement.

**2022-004 10000 – Attendance Accounting and Reporting
(Charter School Nonclassroom-Based Instruction/Independent Study)**

Criteria

According to the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations* and published by the Education Audit Appeals Panel, Charter School Nonclassroom-Based/Independent Study program, each student whose ADA was claimed, must have a written agreement and each agreement must contain all of the elements required by Education Code section 51747(g).

Condition

During our audit of the Tracy Independent Study Charter attendance, it was noted that the three students did not have a written agreement on file and two students whose written agreement did not have all of the elements present as required by Education Code section 51747(g). One these two students did not have the begin and end date and independent study written on the contract and one did not have the contract signed within 30 days of the first day of independent study instruction or October 15.

Questioned Costs

No questioned costs. The District has submitted the amended P2 to correct these errors. The amended P2 was submitted at the same time as the District submit the Annual Attendance Report for the charter school.

Effect

The District was not in compliance with Nonclassroom-Based Instruction/Independent Study program.

Cause

It appears that the required written agreements for Nonclassrrom-Based Instruction/Independent Study were not obtained for all of the students and not all of the written agreements contained all the elements required by Education Code section 51747(g).

Repeat Finding

No.

Recommendation

District should ensure personnel in charge of the nonclassroom-based instruction/independent study have the proper trainings to ensure District is in compliance with Nonclassroom-Based Instruction/Independent Study program.

Corrective Action Plan and Views of Responsible Officials

We concur with this finding. The students must attend a mandatory in person orientation meeting where the master agreement is covered and signed for all students. No students will be enrolled until they attend the in person meeting and have a signed master agreement.