

**CORRECTIVE ACTION PLAN (CAP) TO FISCAL YEAR END JUNE 30, 2017 CURRENT
YEAR FINDINGS AND RECOMMENDATIONS**

Corrective action plan components will be managed by Kathleen Acker, Assistant Superintendent for Finance and Management Services. All actions have been completed as of November 15, 2017 unless otherwise noted.

Budgetary Transfers

- The auditors noted that some budget transfer appropriation codes were overspent and that budget transfers took place after these occurred. It was recommended that the District appropriate additional funds within the budget before such time as a budgetary appropriation is over expended.

CAP: Management agrees and District will record a budgetary transfer before funds are encumbered or expensed so that the budgetary appropriation code will not be overspent. Access to override is limited only to emergency situations. We realize the importance of proper budgetary controls and will implement this recommendation immediately

Payroll Processing Controls

- During the prior year and the current year audits, it was noted that the personnel department has access for adding or modifying employee information in the payroll module. Payroll is still responsible for adding or modifying the salary amounts. It was recommended by the auditors that the District continue with their mitigating controls whereby the Assistant Superintendent for Finance and Management Services reviews a sample of employee payroll transactions periodically and salary change reports. The internal claims auditor on a sample basis also reviews employee payroll transactions.

CAP: As recommended, the District will continue reviewing samples of employee payroll transactions and salary change reports by the Assistant Superintendent for Finance and Management Services to mitigate risks associated with personnel having access to add or modify employee information in the payroll module. The internal claims auditor will continue to review, on a sample basis, employee payroll transactions

- During the current year audit, it was noted that timesheets or daily time records were used by most employees at District locations. It was recommended that documentation be developed that outlines the procedure whereby the employee time information is verified to the attendance information maintained in the accounting software that is utilized to process payroll.

CAP: As recommended, the District will begin to document a reconciliation procedure to verify the daily time and attendance information from the various District locations to the time worked from the District's accounting software. This document will be completed by December 31, 2017.

Extraclassroom Activity Funds

- During the prior year audit and the current year audit, it was noted that in a sample of cash disbursements tested, there were a number of reimbursements to staff for activity related expenses.

CAP: Club Advisors have been informed that to the extent possible, payments be made to vendors for goods and services, rather than to District employees or individuals as reimbursements.

- During the current year audit, it was noted that two new student clubs were started but it did not appear that they were approved by the Board.

CAP: All clubs have received Board of Education approval and are financially active. Management will ensure that all new student clubs are approved by the Board of Education in accordance with District policy.

Interfund Receivable and Payables

- The operations of the District include transactions between funds. The District typically loans resources between funds for the purpose of providing cash flow. During the current year audit, it was noted that interfund balances continue to be at a high level and repayments had not taken place.

CAP: Management agrees and has already started to review the interfund receivables and payables to settle the balances due between funds. These interfund balances have grown to these levels due to past cash flow practices which are no longer in place. We will use our current financial resources to repay these balances during the current fiscal year.