CORRECTIVE ACTION PLAN (CAP) TO FISCAL YEAR END JUNE 30, 2026
CURRENT AND PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Dr. Rubie Harris, Assistant Superintendent for Finance and Management Services, will manage the corrective action plan components.

Current Year Comments

N/A – no new areas identified; current year comments below per the management letter.

Prior Year Comments

Extraclassroom Activity Funds - Transactions

During the **prior year** audit, in the sample of cash disbursements we tested, we noted that there were some instances where sales tax was not paid, as well as instances where detailed supporting documentation was not present for a few cash disbursements.

During the **current year** audit, we did not note this finding. This comment is **considered closed**.

During the **prior year** audit, in the sample of cash receipts we tested, we noted instances where the supporting documentation for cash receipts did not indicate student involvement, and some instances where a cash receipts package did not contain a completed inventory control form for product sales.

During the **current year** audit, we did not note this finding. This comment is **considered closed**.

Calculation of Collateral for Deposits with Financial Institutions

During the **prior year** audit, in the sample of transactions we tested, we noted that the collateral schedule maintained by the District did not reflect the proper offsetting bank balance amounts. Our test of the collateral pledged, indicated that the bank had pledged adequate collateral to cover deposits.

During the **current year** audit, in the sample of transactions we tested, we noted that the collateral schedule properly included the financial institution balances. Monthly collateral schedules were not available from the District, although the District indicated that the collateral is checked on an ongoing basis.

CAP: The District Treasurer will prepare monthly collateral reports and include them with the financial reporting packet for the Board of Education

Implementation Date: Completed by December 31, 2026

Financial Accounting Software Computer Permissions

During the prior year audit and the current year audit, in the sample of transactions we tested, we noted that certain individuals have computer permissions to access areas within the financial accounting software package that are not necessary to perform their job. The District did remove, during the current year, some access permissions for individuals who did not require rights as part of their job responsibilities.

CAP: The Assistant Superintendent for Finance and Management Services has worked with the Information Technology Director and relevant staff to identify necessary permissions and remove access to areas of the financial accounting software not required for assigned job functions. Most permissions had already been adjusted. Due to current staffing shortages in the payroll and benefits office (two vacancies), certain temporary permissions remain in place for operational continuity. Supervisory oversight has been strengthened and will continue until full staffing allows for complete restriction of access.

Implementation Date: Complete by June 30, 2027

Budget Transfers

During the **prior year** audit, in the sample of budget transfers we tested, we noted that there were a couple of budget transfers between non-contingent expenditure codes.

During the **current year** audit, in the sample of budget transfers we tested, we did not note transfers between non-contingent expenditure codes. This comment is **considered closed**.

Review of Open Encumbrances and Accounts Payable

During the **prior year** audit, in the sample of transactions we tested, we noted that the District implemented a system for review of accounts payable and encumbrances. As a result of our audit procedures, we proposed an audit adjustment to reduce accounts payable, which approximated $114,000.

During the **current year** audit, in the sample of transactions we tested, we noted that the District continued with their system for review of accounts payable and encumbrances. Nevertheless, there were encumbrances from the prior fiscal year that were rolled over, but the purchase orders were not fulfilled, and the encumbrances were not liquidated. As a result of our audit procedures, we proposed an audit adjustment to reduce accounts payable, which approximated $337,000

CAP: *The Assistant Superintendent for Finance and Management Services has implemented and will continue a structured year-end review process for encumbrances and accounts payable. This process includes collaboration with accounts payable staff to maintain a transparent listing that distinguishes encumbrances from payables, which will be reviewed and provided to auditors annually. This practice has significantly improved accuracy and will be maintained going forward.*

Implementation Date: June 30, 2027

Interfund Receivables and Payables

During the **prior year** audit, in the sample of transactions we tested, we noted that interfund balances are at a high level and repayments had not taken place.

During the **current year** audit, in the sample of transactions we tested, we noted that the District used their current financial resources to repay interfund balances throughout the year. This comment is **considered closed**.

Summer Program for School-Aged Students with Disabilities

During the **prior year** audit, in the sample of transactions we tested, we noted that the costs to operate the program were higher than what was verified by the State as available for reimbursement. As a result, those expenditures in excess of the reimbursable amount recorded as a receivable, have the potential to not be reimbursed by the State.

During the **current year** audit, in the sample of transactions we tested, we noted that the District collected final amounts due from the State for the fiscal year ending June 30, 2023. A write-off of approximately $78,000 was recorded for the balance deemed to be uncollectible for that year. For the fiscal year ending June 30 2024, during the audit, we noted the balance outstanding from the State approximated $146,000. For subsequent years, it appears that amounts due from the State will be reimbursable.

CAP: *The Assistant Superintendent for Finance and Management Services will continue to review and reconcile the program costs reported by the State to ensure accuracy and alignment with District records. If certain expenditures are determined to be non-reimbursable, the Assistant Superintendent will identify appropriate general fund resources to cover the shortfall and adjust financial reporting accordingly.*

Implementation Date: June 30, 2027