



**Office of the Washington State Auditor**  
**Pat McCarthy**

## **Accountability Audit Report**

# **Odessa School District No. 105**

**Lincoln County**

**For the period September 1, 2014 through August 31, 2016**

**Published April 24, 2017**

**Report No. 1018982**





**Office of the Washington State Auditor**  
**Pat McCarthy**

April 24, 2017

Board of Directors  
Odessa School District No. 105  
Odessa, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of Odessa School District No. 105 from September 1, 2014 through August 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Associated Student Body
- Payroll
- General disbursements

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Odessa School District No. 105  
Lincoln County  
September 1, 2014 through August 31, 2016**

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of the Odessa School District No. 105. The State Auditor’s Office has reviewed the status as presented by the District.

<b>Audit Period:</b> September 1, 2012 through August 31, 2014	<b>Report Ref. No.:</b> 1014905	<b>Finding Ref. No.:</b> 2014-001
<b>Finding Caption:</b> The District’s inadequate internal controls over Associated Student Body activities puts public funds at risk.		
<b>Background:</b> Districts may use Associated Student Body (ASB) funds for optional and non-curricular activities that are cultural, athletic, recreational or social in nature, or to otherwise support the activities and programs of ASBs. During our review of 2013 and 2014 ASB activities and procedures, we identified the following conditions: <ul style="list-style-type: none"> <li>• The District did not maintain adequate documentation to support for the four fundraisers tested. Specifically, they were unable to provide analysis of expected revenues, post event reconciliation of receipts to expected profit based on times sold and/or inventory and completed profit analysis.</li> <li>• Student council approval of ASB expenditures did not consistently occur before expenditures were paid.</li> </ul> <p>We recommended the District improve internal controls over ASB activities. These improvements should include:</p> <ul style="list-style-type: none"> <li>• Providing adequate training and ensuring ASB advisors follow state laws, rules and district policies.</li> <li>• Prepare, retain, and monitor all necessary records for ASB activities.</li> <li>• Student council and advisors, as appropriate, approve expenditures prior to their occurrence.</li> </ul>		
<b>Status of Corrective Action:</b>		
<input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		

**Corrective Action Taken:**

1. *Odessa High School Principal and High School ASB Secretary attended the October 21<sup>st</sup> WASBO ASB Finance workshop in Spokane.*
2. *The district created new reconciliation forms to reflect a comparison between items sold and receipts. Additionally, these reconciliation tools for fundraising events are being utilized to analyze future potential revenue and expenditures for similar events. Events that sell product as meals will be inventoried by plates sold.*
3. *Efforts have been made to pre-approve ASB expenditures through appropriate student council meetings. ASB meetings are currently being held at consistent times to ensure expenditures are approved prior to requisitions being issued.*

## INFORMATION ABOUT THE DISTRICT

Odessa School District No. 105 serves approximately 230 students from Grant, Adams and Lincoln counties. The District operates one high school, one middle school and one elementary school.

A five-member Board of Directors provides oversight responsibility and appoints a Superintendent who is responsible for the District's daily operations. The District has 34 employees and operates on an annual general fund budget of approximately \$3.4 million.

<b>Contact information related to this report</b>	
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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Odessa School District No. 105 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

<b>Contact information for the State Auditor's Office</b>	
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