



# Washington State Auditor's Office

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## Accountability Audit Report

# Wahluke School District No. 73

Grant County

For the period September 1, 2012 through August 31, 2014

Published May 28, 2015

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## Washington State Auditor

May 28, 2015

Board of Directors  
Wahluke School District No. 73  
Mattawa, 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,

JAN M. JUTTE, CPA, CGFM  
ACTING STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In most 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.

However, we identified areas in which the District could make improvements.

We recommended the District establish and follow procedures to ensure it retains adequate documentation to support enrollment figures reported to the Office of Superintendent of Public Instruction.

These recommendations were included in our report as a finding.

### About the audit

This report contains the results of our independent accountability audit of Wahluke School District No. 73 from September 1, 2012 through August 31, 2014.

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:

- General expenses and employee reimbursements
- Student enrollment reporting

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **2014-001    The District did not retain adequate documentation to support student enrollment reported to the Office of Superintendent of Public Instruction.**

#### ***Description of Condition***

In Washington State, school districts are funded based in part on enrollment figures reported to the Office of Superintendent of Public Instruction (OSPI). During our audit of basic education enrollment at the high school, we learned the district did not prepare and retain sufficient supporting documentation for students reported to OSPI during the 2013-14 school year. Specifically, no student rosters or student course lists were maintained.

#### ***Cause of Condition***

We issued a management letter to the District in our previous audit, which included recommendations that the District establish controls and procedures to retain all documentation needed to support enrollment information. While staff members involved in enrollment reporting for the high school began retaining related documentation such as absence reports and student entry and withdrawal records, they did not understand the importance of student rosters and course lists to support enrollment figures.

#### ***Effect of Condition***

Without adequate documentation, the District cannot demonstrate that it accurately reported enrollment figures for students at the high school and that the state funding it received was appropriate.

#### ***Recommendation***

We recommend the District establish and follow procedures to ensure it retains adequate documentation to support enrollment figures reported to OSPI.

#### ***District's Response***

*Building Secretaries will be trained during August of each year on enrollment procedures and reporting. Building reports will be sent to the Business office for enrollment to be checked and adjustments made prior to submission.*

### ***Auditor's Remarks***

We appreciate the steps that the District is taking to resolve this concern and will review the status of this issue during the District's next accountability audit.

### ***Applicable Laws and Regulations***

Washington Administrative Code 392-121-011 General Provisions, states in part:

(7) School districts shall have available upon request by the superintendent of public instruction and for audit purposes, such documentation as necessary to support all data reported to the superintendent of public instruction pursuant to this chapter.

Washington Administrative Code 392-121-106 Definition – Enrolled student, states in part:

As used in this chapter, “enrolled student” means a person residing in Washington state who:

(4) Actually participated on a school day during the first four school days of the current school term (semester or quarter), or on a school day during the current school year on or prior to the date being counted, in a course of study offered by the school district as defined in WAC 392-121-107;

Washington Administrative Code 392-117-050 – Documentation requirements.

School districts and educational service districts shall provide upon request by the superintendent of public instruction and for audit purposes, documentation to support all data reported to the superintendent of public instruction pursuant to this chapter.

Enrollment Reporting Handbook, Instructions for the 2013-14 School Year (Superintendent of Public Instruction), Section 2. Enrollment Reporting – General Information, C. Documentation and Audit, states in part:

Because enrollment is used to determine state funding, enrollment reported to OSPI must be carefully documented.

Enrollment Reporting Handbook, Instructions for the 2013-14 School Year (Superintendent of Public Instruction), Section 9. Documentation of Enrollment and Retention of Records, states in part:

Supporting documentation of monthly enrollment counts must be sufficient to substantiate compliance with enrollment reporting rules and instructions.

- Documentation of enrollments must support the Headcount/FTE reported by the district including, but not limited to:
  - Rosters identifying individual students counted for each type of enrollment (both headcount and FTE where applicable).
  - Student schedules by month, quarter, or semester necessary to support student's claimed FTE.

RCW 40.14.070 Destruction, disposition, donation of local government records – Preservation for historical interest – Local records committee, duties – Record retention schedules – Sealed records, states in part:

(2)(a) Except as otherwise provided by law, no public records shall be destroyed until approved for destruction by the local records committee.

## RELATED REPORTS

### **Financial**

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report issued in May 2015, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report issued in May 2015. That report includes a federal finding regarding noncompliance with time and effort documentation requirements for the Special Education grant program. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.



## INFORMATION ABOUT THE DISTRICT

Wahluke School District No. 73 provides educational services to 2,291 students in kindergarten through 12th grade in Grant County. Additional services include an alternative school, vocational education, bilingual education, pupil transportation, food services, special education and numerous programs for remedial and enriched education.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's operations as well as its over 200 certified and classified employees. For the 2013-2014 school year, the District operated on a \$23 million budget.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Wahluke School District No. 73 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.

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