



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Quillayute Valley School District No. 402

Clallam County

For the period September 1, 2015 through August 31, 2017

Published May 21, 2018

Report No. 1021356





Office of the Washington State Auditor
Pat McCarthy

May 21, 2018

Board of Directors
Quillayute Valley School District No. 402
Forks, 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 independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy
State Auditor
Olympia, WA

TABLE OF CONTENTS

Audit Results.....	4
Related Reports	6
Information about the District.....	7
About the State Auditor’s Office	8

AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

Because public distribution of tests performed and the related results over information technology could increase the risk to the District's IT security, distribution of that information has been limited to management and the governing body of the District and is kept confidential under RCW 42.56.420.

About the audit

This report contains the results of our independent accountability audit of Quillayute Valley School District No. 402 from September 1, 2015 through August 31, 2017.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. 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, based on our risk assessment for the years ended August 31, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Basic enrollment reporting at Forks High School
- Special education enrollment reporting – Insight School of Washington and districtwide
- Financial condition and fiscal sustainability
- Associated Student Body (ASB) activities at Forks High School – student council minutes, expenditures, and fundraisers
- Procurement of public works projects – bidding and prevailing wage
- General disbursements – approval, support, and validity of payments

- Credit cards – policy and approval, support and validity of charges
- Payroll – calculations of employee payments
- IT security for Skyward applications – password configuration, generic log-ins and employee access

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, 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 program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Other reports

We have conducted a separate audit to examine the District's compliance with Alternative Learning Experience (ALE) requirements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Quillayute Valley School District No. 402 provides educational services to approximately 2,970 students in kindergarten through 12th grade in Clallam County. Programs and services include basic elementary, intermediate school, junior high school, high school, two alternative school programs, vocational education, pupil transportation, food services and special education. The District partners with Insight School of Washington to provide on-line alternative education to approximately 1,850 of its students.

An elected, five-member Board of Directors governs the District. Board Members serve staggered, four-year terms. The Board appoints a Superintendent to oversee the District's daily operations as well as its 215 employees. The District operated on annual budgets of \$29 million and \$28 million for fiscal years 2017 and 2016, respectively.

Contact information related to this report	
Address:	Quillayute Valley School District No. 402 411 S. Spartan Avenue Forks, WA 98331
Contact:	Jan Haugen, Director of Finance
Telephone:	(360) 374-6262 x102
Website:	http://www.qvschools.org/pages/Quillayute_Valley_SD_402

Information current as of report publish date.

Audit history

You can find current and past audit reports for Quillayute Valley School District No. 402 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.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov