



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Granger School District No. 204

Yakima County

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

Published June 21, 2018

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Office of the Washington State Auditor
Pat McCarthy

June 21, 2018

Board of Directors
Granger School District No. 204
Granger, 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,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT RESULTS

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

As referenced above, we noted certain matters that we communicated to District management and Board of Directors in a letter dated June 7, 2018, related to establishing controls to ensure state law is followed before retainages are released on public works projects. We appreciate the District's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of Granger School District No. 204 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:

- Associated Student Body – fundraising, cash receipting, inventory and use of imprest funds at the high school and middle school
- Enrollment reporting of high school students
- Payroll – employee payouts and supplemental contracts
- Information technology – user access, security, and policies protecting financial systems and data
- Self-insurance – unemployment compensation
- Procurement – public works, purchases and retainage requirements

BOARD OF DIRECTORS

Ron. L. Fleming

Paul D. Golob

Marcy L. Hull

Kyle E. Shinn

Dalia Chavez - Isiordia

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**Granger School District No. 204****Yakima County****September 1, 2015 through August 31, 2017**

This schedule presents the status of findings reported in prior audit periods.

Audit Period: September 1, 2013 through August 31, 2015	Report Ref. No.: 1017030	Finding Ref. No.: 2015-001
Finding Caption: The District's internal controls over High School Associated Student Body activities are insufficient to safeguard against potential loss and noncompliance with laws and regulations.		
Background: The High School has not allocated the necessary resources and oversight to establish internal controls over ASB activities or to ensure that all ASB activities are handled in accordance with state laws, District Policy, and are adequately supported and monitored.		
Status of Corrective Action: (check one) <input type="checkbox"/> Fully Corrected <input checked="" type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>1. Fundraisers</i> <i>a. All fundraisers have prior ASB approval before conducting the fundraiser. Club and ASB meeting minutes are turned in to the building ASB secretary for future auditing purposes.</i> <i>b. All fundraiser receipts have been reconciled to the expected revenue derived from inventory sold, tickets, or other method of estimating revenue by the student club or organization, prior to be turned in and kept by the building ASB secretary for future auditing purposes.</i> <i>c. ASB Fundraising Profit Analysis is conducted at the end of a fundraising activity. Fundraiser receipts are reconciled to the expenses to determine profit no profit, or loss, determine any variance between projected sales volume and revenue receipt and provide an explanation, and identify/account for unsold merchandise.</i> <i>2. Cash Receipting</i> <i>a. A point of sale program has been purchased to record and mark on the receipt as to the method of payment, with check number and quantity and/or cash amount. In the event of a manual receipt written, all above information will be included.</i>		

- b. All deposits are made within a 24 hour period. The ASB administrator verifies the receipted money and reconciles it with the deposit.*
- 3. Imprest Account*
 - a. The internal controls of reconciling the imprest fund has been removed from the building level and is now managed under the direction of the Director of Business/Operations. The imprest fund is reconciled monthly and turned into the Director of Business/Operations by the 10th of each month. The Director of Business/Operations works with the district employee to replenish the imprest fund, based on the reconciled reports.*

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 programs, which are 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>.

INFORMATION ABOUT THE DISTRICT

Granger School District No. 204 serves approximately 1,600 students in preschool through 12th grade in Yakima County. The District has one elementary school, one middle school and one high school. It provides public education as well as supporting services including school meals and pupil transportation.

An elected, five-member Board of Directors governs the District. The Board appoints the Superintendent and Director of Business and Operations to oversee the District's daily operations as well as its 98 certified and 90 classified employees. For the years under audit, the District operated on annual budgets of approximately \$26 million.

Contact information related to this report	
Address:	Granger School District No. 204 701 E. Avenue Granger, WA 98932
Contact:	Bich Hall, Director of Business and Operations
Telephone:	(509) 854-3172
Website:	www.gsd.wednet.edu

Information current as of report publish date.

Audit history

You can find current and past audit reports for Granger School District No. 204 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	
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Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov