



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

La Conner School District No. 311

Skagit County

For the period September 1, 2015 through August 31, 2016

Published May 15, 2017

Report No. 1019041





Office of the Washington State Auditor
Pat McCarthy

May 15, 2017

Board of Directors
La Conner School District No. 311
La Conner, 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 La Conner School District No. 311 from September 1, 2015 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:

- Cash receipting
- ASB
- Staff mix
- Follow-up on prior audit finding:
 - Credit cards
- Follow-up on prior audit exit recommendations:
 - Advanced travel fund
 - IT security

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

La Conner School District No. 311
Skagit County
September 1, 2015 through August 31, 2016

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of La Conner School District No. 311. The State Auditor's Office has reviewed the status as presented by the District.

Audit Period: September 1, 2014 through August 31, 2015	Report Ref. No.: 1016521	Finding Ref. No.: 2015-001
Finding Caption: The District lacks adequate internal controls over payments to ensure compliance with state laws and District policies and procedures to safeguard public funds.		
Background: During fiscal year 2015, the District did not have adequate monitoring and review of credit card purchases issued to an employee. The employee was also not required to submit itemized receipts or invoices for all purchases made. Resulting in the employee making personal purchases and other unallowable or unauthorized purchases. The employee was also permitted to continue to use their credit card while disallowed charges were outstanding.		
Status of Corrective Action: <input checked="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: <i>The District no longer issues credit cards to individuals. Only one credit card is used by the district. This credit card remains in a safe in the district office and is only allowed to be used in the district office by authorized personnel. The physical card is not allowed to leave the business office.</i> <i>The card issued to the individual was destroyed and the account was closed immediately.</i>		

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>.

INFORMATION ABOUT THE DISTRICT

La Conner School District No. 311 provides educational services to approximately 602 students in preschool through 12th grade in Skagit County. The District operates one high school, one middle school, one elementary school and one preschool.

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 staff of 50 certificated and 52 classified employees. For fiscal year 2016, the District operated on a general fund budget of approximately \$10.2 million.

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 La Conner School District No. 311 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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