



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

## **Accountability Audit Report**

# **Tahoma School District No. 409**

**King County**

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

**Published April 5, 2018**

**Report No. 1021015**





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

April 5, 2018

Board of Directors  
Tahoma School District No. 409  
Maple Valley, 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".

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 the Board of Directors in a letter dated February 15, 2018, related to compliance with the District's ethics policy and state law. We appreciate the District's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of Tahoma School District No. 409 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.

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 year ended August 31, 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:

- Career and Technical Experience (CTE) – follow-up on prior year finding
- Procurement – public works projects – Tahoma High School
- Debt and covenants – new debt issuance

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Tahoma School District No. 409

### King County

September 1, 2015 through August 31, 2016

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

<b>Audit Period:</b> 9/1/2014 through 8/31/2015	<b>Report Ref. No.:</b> 1016797	<b>Finding Ref. No.:</b> 2015-001
<b>Finding Caption:</b> Tahoma School District incorrectly reported Career and Technical Education student apportionment due to a lack of internal controls over course approval and teacher certification.		
<b>Background:</b> The Office of Superintendent of Public Instruction (OSPI) establishes the rules and provides instructions on how school districts should report Career and Technical Education (CTE). School districts report the Full-Time Equivalent (FTE) students to OSPI monthly. Districts are provided enhanced funding based on the number of hours per week students are enrolled in qualified CTE courses. In order to qualify for the enhanced funding the District must meet all of the following criteria: <ul style="list-style-type: none"> <li>• CTE courses must be approved by OSPI.</li> <li>• Instructors must have a valid CTE certification.</li> <li>• Each instructor's CTE endorsement must align with the course taught.</li> </ul>		
<b>Status of Corrective Action: (check one)</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		
<b>Corrective Action Taken:</b> <i>The following systemic procedures were put into place</i> <i>First Step:</i> <ul style="list-style-type: none"> <li>• <i>Created common spreadsheet with framework and certification issue dates and expiration dates. Columns to verify information has been double checked and add</i> </li> </ul>		

*notes if any irregularities and when those will be fixed (100% complete as part of this audit)*

- *Keep a hard copy binder in Asst. Director of T&L office of current certifications and summary of frameworks.*
- *Establish an August meeting between CTE Director and Asst. Director to review common spreadsheet and binder and check for any irregularities.*

#### ***New CTE Course Process***

<b><i>What happens (process)?</i></b>	<b><i>What do we need to make sure happens during this process</i></b>	<b><i>Who is responsible</i></b>
<i>Instructional Council Approval Indicates CTE Class</i>	<i>That it could potentially be approved, under which CIP code, and who do we have qualified to teach it.</i>	<i>CTE Director</i>
<i>School Board Approves the Course</i>	<i>Immediately after approval, Framework gets written, submitted, and approved prior to running the class.</i>	<i>CTE Director (teacher writes framework). CTE Director monitors process</i>
<i>State Approves Course</i>	<i>Course code and CIP Code are communicated to Skyward person as the course is entered into the system.</i>	<i>CTE Director</i>
<i>Course is entered with CIP code</i>	<i>HR certification specialist is notified of course and who is teaching it. Verification that the teacher has appropriate certification. The common spreadsheet on Sharepoint is updated Asst. Director of T&amp;L is notified of course and who is teaching it.</i>	<i>CTE Director</i>
<i>Program review in August</i>	<i>Review meeting of spreadsheet and binder to check that all frameworks are done, certs/vcodes match, Communicate irregularities that can't be counted at the start of school to Skyward person</i>	<i>Asst. Director of T&amp;L schedules the meeting</i>  <i>Asst. Director of T&amp;L</i>

<i>If irregularities</i>	<i>Check that they are fixed and communicate to district Skyward person on a monthly basis</i>	<i>Asst. Director of T&amp;L</i>
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***CTE Course Renewal Process***

<b><i>What happens (process)?</i></b>	<b><i>What do we need to make sure happens during this process</i></b>	<b><i>Who is responsible</i></b>
<i>In the fall, Check for expiring frameworks for the <b>following year</b></i>	<ul style="list-style-type: none"> <li>-Look at the expiration date on the framework</li> <li>-Look on the four year cycle from CTE state</li> <li>-Submit Frameworks for approval for the following year.</li> </ul>	<i>CTE Director (include teachers in this knowledge base)</i>  <i>In November, Asst. Director double checks this is happening</i>
<i>In the spring, look at courses being offered</i>	<ul style="list-style-type: none"> <li>-Double check all frameworks for offered classes are approved</li> <li>-Double check all certifications, vcodes, with courses and CIP codes being offered</li> </ul>	<i>In June, CTE Director asks Skyward person to pull list of active CIP code classes for next year to double check.</i> <i>In late June, Asst. Director of T&amp;L double checks this has happened and is accurate.</i>
<i>Program review in August</i>	<i>Review meeting of spreadsheet and binder to check that all frameworks are done, certs/vcodes match, Communicate in irregularities that can't be counted at the start of school to Skyward person</i>	<i>Asst. Director of T&amp;L schedules the meeting</i>  <i>Asst. Director of T&amp;L</i>
<i>If irregularities</i>	<i>Check that they are fixed and communicate to district Skyward person on a monthly basis</i>	<i>Asst. Director of T&amp;L</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 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

Tahoma School District No. 409 is located in southeast King County. The city of Maple Valley is included in its boundaries. The District serves approximately 7,697 student FTE in one high school, one junior high school, two middle schools, and four elementary schools.

An elected, five-member Board of Directors has oversight responsibility for the District, appointing management, setting the budget and other fiscal responsibilities. The Board appoints a Superintendent to oversee the District's daily operations as well as its staff consisting of 450 certificated employees and 448 classified employees, including 33 administrative personnel. For the 2015-2016 fiscal year, the District had an annual budget of approximately \$284 million. Funding sources include state funding, local levies, bonds, and federal grants.

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 Tahoma School District No. 409 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	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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