



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report
Kalama School District No. 402

For the period September 1, 2017 through August 31, 2019

Published March 9, 2020

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

March 9, 2020

Board of Directors
Kalama School District No. 402
Kalama, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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.

Attached is 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

Results in brief

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

However, we noted certain matters that we communicated to District management and the Board of Directors in a letter dated March 2, 2020, related to the Open Public Meetings Act, cash receipting and Associated Student Body (ASB) activities, and procurement of professional services. We appreciate the District's commitment to resolving those matters.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Kalama School District No. 402 from September 1, 2017 through August 31, 2019.

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 obtaining 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. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended August 31, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Procurement – public works and professional services
- Use of restricted funds – professional learning, bond proceeds
- Establishment of local revenue and expenditure accounts
- Open public meetings – documentation of minutes and executive sessions

- Student enrollment reporting
- Associated Student Body activities at Kalama Middle/High School – fundraisers, gate receipts, and cash receipting
- Cash receipting – timeliness and completeness of deposits at Kalama Middle/High School
- Payroll – gross wages
- Accounts payable – general disbursements and electronic funds transfers

RELATED REPORTS

Financial

Our opinion on the District's financial statements 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>.

INFORMATION ABOUT THE DISTRICT

Kalama School District No. 402, located in Cowlitz County, serves approximately 1,037 students from kindergarten through 12th grade. The District operates one combined high school-middle school and one elementary school.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's daily operations as well as approximately 93 employees. For 2018 and 2019, the District operated on annual budgets of approximately \$10.8 and \$13.7 million, respectively.

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 Kalama 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.

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