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CORBETT SCHOOL DISTRICT N0.39

July 19, 2023

Oregon Secretary of State, Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Corbett School District

The Corbett School District respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2022. The audit was completed by the independent auditing firm Talbot, Korvola and Warwick, LLP and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on July 18, 2023, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency 2022-001 – Material Weakness – Capital asset and accrued payroll reconciliations
 - a. A lack of complete and timely reconciliations, considered to be material weakness in controls over financial reporting, was identified. The District should implement policies and procedures to ensure complete and timely reconciliations are performed to prevent or detect and correct a material misstatement.
 - b. Plan of Action: District will review the capital asset reporting methodology and payroll liability reconciliation process.
 - c. Timeframe: Summer 2023
2. Deficiency 2022-002 – Significant Deficiency – Student Activities Recordkeeping
 - a. A lack of controls over the receipt and tracking of student activity funds considered to be a significant deficiency in controls over financial reporting, was identified. The District should implement policies and procedures over the receipt and tracking of student activity funds to prevent or detect and correct a material misstatement.
 - b. Plan of Action: The District acknowledges some risk inherent in maintaining its student activity bookkeeping outside of BusinessPlus, in the SchoolBooks system, and would rate this a low risk, conventionally undertaken by school districts. The risk is mitigated by monthly activity reports to each budget-holder, allowing the timely resolution of questions on erroneous or missing items, and by daily reporting on cash account balance maintained by the Business Manager. Budget-holders are asked to provide evidence of review of the monthly reports and the Business Manager is copied on the monthly reports. The District has developed Cash Handling Guidelines and a Cash Counting Template that is shared with school event organizers. The District will continue to monitor internal controls best practices and apply separation of duty principals whenever possible. No further action shall be taken.
 - c. Timeframe: July 18, 2023

3. Deficiency 2022-003 – Material Weakness – Eligibility Determination
 - a. A material weakness in controls over compliance was identified for controls over compliance requirement E from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over eligibility determinations were found not to be implemented. The District should develop and implement policies and procedures to ensure that all eligibility determinations are reviewed in a timely manner and documented appropriately.
 - b. Plan of Action: The District will develop procedures to ensure all eligibility determinations are reviewed timely and documented appropriately by an administrator.
 - c. Timeframe: Beginning August 2023
4. Deficiency 2022-004 – Material Weakness – Federal Vendor Status Check
 - a. A material weakness in controls over compliance was identified for controls over compliance requirement I(b) from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over suspension and debarment determinations were found not to be implemented. The District should develop and implement policies and procedures to ensure that all suspension and debarment determinations are reviewed in a timely manner and documented appropriately.
 - b. Plan of Action: The District is implementing new protocols to ensure vendors receiving federal dollars are appropriately vetted for suspension or debarment, using SAM.gov.
 - c. Timeframe: New protocols are underway to be established for school year 2023-24.
5. Deficiency 2022-005 – Material Weakness – Evidence of Review Needed
 - a. A material weakness in controls over compliance was identified for controls over compliance requirement L from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over reporting were found not to be implemented. The District should develop and implement policies and procedures to ensure that all monthly reimbursement reports are reviewed in a timely manner and documented appropriately.
 - b. Plan of Action: The District will implement internal controls to address the need for additional oversight of monthly meal reimbursement reports.
 - c. Timeframe: August 2023
6. Deficiency 2022-006 – Material Weakness – Eligibility Verification Review
 - a. A material weakness in controls over compliance was identified for controls over compliance requirement N.1 from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over eligibility verification were found not to be implemented. The District should develop and implement policies and procedures to ensure that all eligibility verifications are review in a timely manner and documented appropriately.
 - b. Plan of Action: The District will develop procedures to ensure all eligibility verifications are reviewed timely by an administrator and documented appropriately.
 - c. Timeframe: August 2023
7. Deficiency 2022-007 – Instance of Noncompliance – Procurement Policy
 - a. An instance of noncompliance was identified over compliance requirement 1(a) from the 2022 Office of Management and Budget (OMB) Compliance Supplement. The District does not have a documented procurement policy. The District should develop and implement a formal procurement policy consistent with Federal, State, and local laws and regulations.
 - b. Plan of Action: The District will undertake a review of best practices regarding procurement policy and will advance resulting recommendations.
 - c. Timeframe: Fiscal year 2023-24

8. Deficiency 2022-008 – Instance of Noncompliance – Meal County Tally
 - a. An instance of noncompliance was identified over compliance requirement L from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Recordkeeping of the daily supporting documentation for the monthly claims was found to not be in compliance with federal requirements. The District should develop and implement policies and procedures to ensure that all original daily meal counts and tallies used to support reimbursement reports are maintained for the appropriate amount of time.
 - b. Plan of Action: The District will review, develop and implement procedures to provide the required reporting.
 - c. Timeframe: Fiscal year 2023-24

Corrective Action Plan Adoption Signatures

Corbett SD Board Chair, Michelle Vo

Superintendent, Dr. Derek Fialkiewicz

This plan is to be adopted by the Board through motion or resolution on July 18, 2023 and submitted to the Secretary of State within 30 days of the filing of the audit report.

An official copy of approved meeting minutes where the plan was adopted with clear indication of adoption must be provided to the Secretary of State along with this signed document.