

DAN WOLD
Superintendent
ROBIN LINDEEN-BLAKELEY

Deputy Clerk
CINDY DULEY
Business Manager



**CORBETT SCHOOL DISTRICT
NO.39**

35800 E. Historic Columbia River Highway
Corbett, Oregon 97019-9629

Administration Office 503-261-4200
Grade School 503-261-4236
Middle/High School 503-261-4226
CAPS 503-261-4294
Fax 503-695-3641

March 9, 2022

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

Plan of Action for Corbett School District 39

Corbett School District 39 respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2021. The audit was completed by the independent auditing firm Talbot, Korvola & Warwick, LLP on February 28, 2022, and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on March 9, 2022, as indicated by signatures below.

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

1. Deficiency #1 - Material Weakness: Controls

- a. While performing audit procedures, we noted that the District appears to lack the processes, and related controls, to reconcile balance sheet accounts on a timely and regular basis and/or lacks the documentation that the controls have been implemented. There were related deficiencies identified for cash, fixed assets, and accrued payroll accounts. The lack of timely review of reconciliations resulted in audit adjustments of \$310,197 to cash and \$784,593 to accrued payroll balances. The lack of timely reconciliations also resulted in the District making adjustments until December 2021. It was also noted that bank reconciliations included unresolved variances and outstanding checks dating back to 2014. The District should implement policies and procedures to timely reconcile all balance sheet accounts on a regular basis, and include documented controls that would prevent or detect and correct misstatements due to error or fraud. Additionally, the District should implement policies and procedures to timely investigate and resolve any variances discovered while reconciling account balances.
- b. Plan of Action: District will take action on recommendation to develop additional processes and controls to reconcile all balance sheet accounts on a regular basis and include controls that would prevent or detect and correct misstatements due to error or fraud, as well as to timely investigate and resolve variances discovered.
- c. Timeframe: by June 30, 2022

2. Deficiency #2 - Significant Deficiency: Student Activities Recordkeeping

- a. While performing audit procedures, we noted that cash receipt processing and the recording of transactions for the Student Activities process did not follow the District’s policies and procedures for other cash receipts and transactions. The District appears to lack controls over cash receipts related to Student Activities and all Student Activities transactions were recorded outside of the District’s accounting system and with an adjustment recorded in the District’s accounting system only at year end. While bank reconciliation and procedures to record the transactions at year end could detect and correct possible misstatements, all of the District’s cash receipts and accounting records should have controls to prevent or detect and correct misstatements due to error or fraud timely.
- 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 as a low risk, as is conventionally undertaken by school districts. The risk is mitigated by monthly activity reports to each budget-holder, allowing timely resolution of questions on erroneous or missing items, and by daily reporting on cash account balances 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. No further action shall be taken.
- c. Timeframe: March 9, 2022

3. Deficiency #3 - Significant Deficiency: Teacher Experience Calculation

- a. While performing procedures as required by the State of Oregon, TKW noted that the District appeared to lack controls over reporting teacher experience. Out of the District’s 59 teachers for the prior year, TKW selected a sample of six teachers and found errors in number years of experience reported to the Oregon Department of Education for four of the teachers selected. The District should implement policies and procedures to ensure that information reported to the State is accurate.
- b. Plan of Action: District will review Internal Controls to make sure they accurately document the process used to report teacher experience and include reference to source documentation.
- c. Timeframe: by June 30, 2022

School Board Chair, Michelle Vo

Signature

Interim Superintendent, Dan Wold

Signature