

**School Board Meeting:**

June 26, 2017

**Subject:**

**Student Accounting Audit Response  
Resolution - MDE**

**Presenter:**

Gary Kawlewski, Director  
Finance and Operations

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**SUGGESTED SCHOOL BOARD ACTION:**

Approval of the following resolution:

The Board of Education directs the board chair and the superintendent to provide a statement to the Minnesota Department of Education stating that the board agrees with the findings of the student accounting audit performed on the the 2014-15 fiscal year.

**DESCRIPTION:**

As you are aware, we were reviewed as part of a random student accounting audit from the Minnesota Department of Education for fiscal year 2014-15. The two buildings that were audited were Buffalo High School and Discovery Elementary. After completion of the field audit, we reviewed the findings on April 13, 2017 with a representative from MDE. After that review, a letter along with a copy of the findings was mailed to Chair David Wilson and Superintendent Dr. Scott Thielman.

The findings centered on two basic themes:

1. How we are calculating part-time students
2. We were missing certain supporting documentation for some homebound students and some students in work experience based programs

At the May 8, 2017 Special Meeting the board authorized the administration to file an extension with MDE to seek further time to review and hopefully refute some of the findings of the audit. The extension was later granted until June 30, 2017.

We reviewed the findings with the appropriate staff at the sites stated in the findings and reviewed the documentation we have on file. After that review, we have not been able to produce any further documentation that would refute any of the findings listed in the April 13, 2017 report.

As a result of the extension and by law, the board has to respond to the audit findings by the June 30, 2017 extension deadline. The board has 4 choices in which to respond:

1. Dispute that an error exists
2. Provide the requested documentation noted in the draft report to mitigate the errors
3. Provide a statement that the board agrees with the findings
4. Request an extension beyond the 30 calendar days

Based on our review, it is my recommendation that the board approve the above resolution agreeing with the findings and authorize the board chair and superintendent to provide a statement to MDE agreeing with the findings by June 30, 2017.

**ATTACHMENT(S):**

None