

## **FY23 Audit Items and Action Plan**

Board of Education Meeting  
January 18, 2024



# Rationale

Communicating the plan of action outlining how the district plans to address the audit finding and other noted growth opportunities to improve fiscal practices to stakeholders maintains transparency, builds trust, and demonstrates accountability.

# Audit History

- FY13: Finding- Expenses in excess of allocations
- FY14: Finding- Expenses in excess of allocations
- FY15: Finding- Expenses in excess of allocations
- FY16: Finding- Material weakness- Internal controls, Separation of duties
- FY17: Finding- Material weakness- Internal controls, Separation of duties
- FY18: Clean opinion
- FY19: Clean opinion
- FY20: Clean opinion
- FY21: Clean opinion
- FY22: Clean opinion
- FY23: Finding- Expenses in excess of allocations

KEB Audit Finding and Opportunities for Growth	Actions	Timeline
<p>Finding 2023-001: Actual expenditures exceeded budgeted expenditures in the following funds: Special Revenue, Debt Service, Capital Projects.</p>	<ul style="list-style-type: none"> <li>• District will monitor expenditures throughout the year by fund and request budget amendments as needed to ensure expenditures do not exceed the approved budget.</li> <li>• Adjust budget to actual at the conclusion of the fiscal year.</li> </ul>	<p>Amendments to occur at least two times per fiscal year or as needed.</p>
<p>Schedule of Expenditures of Federal Awards (SEFA) – ensure the schedule is complete and accurate.</p>	<ul style="list-style-type: none"> <li>• Partner with Federal Programs Coordinator to ensure all federal programs are captured in the SEFA.</li> <li>• Reconcile schedule to general ledger and disbursements from DESE noting any timing difference</li> <li>• Perform reconciliation prior to the audit including review by Federal Programs Coordinator.</li> </ul>	<p>End of Fiscal Year in advance of Interim Audit work</p>
<p>Bank Reconciliations – ensure monthly bank reconciliations accurate and agree to the accounting system.</p>	<ul style="list-style-type: none"> <li>• Create reconciliation review checklist ensuring agreement to all systems.</li> <li>• Implement secondary review and signoff on all reconciliations.</li> </ul>	<p>February 2024</p>

KEB Audit Finding and Opportunities for Growth	Actions	Timeline
Delays in receiving complete and accurate requested audit schedules and supporting documentation	<ul style="list-style-type: none"><li>● Thoroughly review all schedules to be submitted for accuracy prior to submittal.</li><li>● Create internal processes to check for variances with explanations in advance of submittal to auditors.<ul style="list-style-type: none"><li>○ Attendance</li><li>○ Transportation</li><li>○ Federal Programs</li></ul></li></ul>	Immediately with completion prior to Audit Field work in the fall.

## FY23 Audit Items *cont...*

- Finding 2023-001: Actual expenditures exceeded budgeted expenditures in the following funds:
  - Special Revenue Fund (Teacher's Fund)
    - The Special Revenue Fund is used to account for specific revenue sources that are restricted, committed or assigned for the payment of salaries and benefits for certified personnel.
  - Debt Services Fund
    - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for the periodic payment of principal, interest, and any fiscal charges on certain long-term debt.
  - Capital Projects Fund
    - used to account for all facility acquisition, construction, lease purchase principal and interest payments and other capital outlay expenditures.

## FY23 Audit Items *cont...*

- Expenditures were in excess of allocations (the budget) but were not in excess of available cash and no misallocation or misappropriation of funds occurred.
  - The district will take the additional step at the conclusion of the fiscal year to adjust the budget to actual expenditures to avoid this issue in the future.
- The state and federal reporting packages indicated no additional findings related to the reporting of related data, inclusive of the recording of revenue and expenditures.

# Questions and Discussion

