



To: Dr. Raymond Kilmer, Superintendent
From: Nancy M. Squairs, Executive Director of Business and Finance
Date: October 10, 2023
RE: External Audit Corrective Action Plan 2022-2023

Prior Year Deficiencies Pending Corrective Action:

School Lunch Meal Claims

We commend the district for resubmitting the missed claims from the prior year, however during our examination of the school lunch claim reporting procedures for the current year, we identified an instance where the production records for a location did not match the amounts reported for those dates.

We recommend the district review their procedures regarding school lunch meal claims to ensure that all qualified meals are submitted for reimbursement.

Corrective Action:

The district had some staffing changes in cooks at the location cited above. Upon the change in personnel, the Director of Food Service went through all production reports available to verify that all qualified meals were submitted for reimbursement. The Director will periodically spot check production records for all locations to ensure that these are accurate.

Completed May 2023

Payroll

As part of our examination of hourly employees, we noted certain departments submit a summary sheet with the total hours to be input into the payroll system. However, we noted an inconsistency among the departments regarding an official employee time sheet/log, that documents how those summaries are prepared.

We recommend the District review this item and develop a consistent and standardized document for hourly employees to sign to attest to the hours worked, and to document the summary sheets prepared by the departments.

Corrective Action:

The district is requiring all CSEA employees do time sheets for the biweekly payrolls. They have to sign off on time sheets to be compliant with this procedure. Some departments are already compliant with this process, and the district will ensure that the remaining departments begin to follow this procedure.

Completed November 2023

Flexible Spending Accounts/Group Insurance

The District Flexible spending account and group insurance accounts were not completely reconciled at year end which required year end entries to adjust those account balances to actual. We recommend every effort be made to complete the reconciliations of the payroll and group insurance accounts as part of the annual closing process for the District.

Corrective Action

The district has completed two of the 3 required steps to reconcile the district Flexible spending accounts with year end entries. The Treasurer is currently working to completed the remaining step of this process with a monthly reconciliation for this account.

Completed December 2023.

School Lunch Fund–

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2023 totaled \$622,362. This balance appears to be in excess of three months average expenditures level recommended by Federal Regulation #7CFR Part 210.14.

We recommend the District continue to develop the corrective action necessary for compliance with the Federal Regulation.

Corrective Action

The district has had enormous increased participation in the School lunch program since the inception of the Community Eligibility Program (CEP) which allows for all students to eat breakfast and lunch for free. As this program in tears past has had a deficit, this infusion of revenue will allow the school lunch program to replace outdated and broken equipment to allow for better service to the students of the district.

The district will use the excess fund balance to replace the main cooler at the warehouse which hold all of the commodity foods and large orders that are distributed to the schools. This is an expensive endeavor and should take up the majority of the excess funds. In the event that these funds do not

exceed excess of the 3-month average, the Food service Department will use the balance to provide more fresh fruits and vegetables for the program.

Completed June 2024