

Scott County School District MISSISSIPPI

COMPLIANCE REPORT

Limited Internal Control and Compliance Review Management Report
For the year ended *June 30, 2020*

SHAD WHITE
State Auditor

Stephanie C. Palmertree, CPA, CGMA
Director, *Financial and Compliance Audit Division*
Charlotte Duckworth
Director, *Compliance Division*





STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

February 8, 2022

Limited Internal Control and Compliance Review Management Report

Scott County School District
110 Commerce Loop
Forest, MS 39074

Members of the Scott County School District:

Enclosed for your review are the Limited Internal Control and Compliance Review Findings for the Scott County School District for the fiscal year 2020. In these findings, the Auditor's Office recommends the Scott County School District:

1. Strengthen Internal Controls over Bank Reconciliations;
2. Strengthen Internal Controls over Activity Funds Cash, Receipts, and Deposits;
3. Strengthen Internal Controls and Ensure Compliance with State Laws over Travel Reimbursements;
4. Ensure Compliance with State Laws over Purchasing;
5. Ensure Compliance with State Laws over Depository Bids;
6. Ensure Compliance with State Laws over Filing the Statement of Economic Interests;
7. Ensure Compliance with State Laws over Sixteenth Section Taxes and Appraisals;
8. Ensure Compliance with State Laws over Surety Bonds; and
9. Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Please review the recommendations and submit a plan to implement them by February 25, 2022. The enclosed findings contain more information about our recommendations.

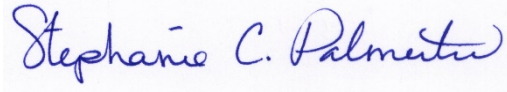
During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

This report is intended solely for the information and use of management, individuals charged with governance and Members of the Legislature and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Scott County School District to carry out its mission more efficiently. If you have any questions or need more information, please contact me.

Scott County School District
February 28, 2022
Page **3** of **10**

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is written in a cursive style with a large, stylized 'S' and 'P'.

STEPHANIE PALMERTREE, CPA, CGMA
Director, Financial and Compliance Audit
Office of the State Auditor

The Office of the State Auditor has completed its limited internal control and compliance review of the Scott County School District for the year ended June 30, 2020.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be weaknesses. In accordance with *Section 7-7-211, Miss. Code Ann. (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We identified certain deficiencies in internal control over financial reporting that we consider to be a *material weakness* in internal control and certain deficiencies in internal control that we consider to be *significant deficiencies* in internal control. These matters are noted under the heading **SIGNIFICANT DEFICIENCIES**.

In addition, while performing our review, we noted certain instances of noncompliance with State laws that require the attention of management. These matters are noted under the heading **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. The Auditor's Office has also made a recommendation for managements' consideration that it is not in violation of state law.

SIGNIFICANT DEFICIENCY

Finding 1: The School District Should Strengthen Internal Controls over Bank Reconciliations.

Internal Control Deficiency: Management is responsible for ensuring that the assets of the District are safeguarded and transactions are properly documented in the District's financial records. A critical aspect outstanding checks to the balance per bank statement to reconcile to the amount of cash that is listed on the general ledger of the District to what is recorded at the bank. The reconciliation process enables the Business Office to make adjusting journal entries to correct any mistakes or unrecorded items in the District's financial records.

Mississippi Department of Education Policy Manual, Chapter 71, Rule 71.3, "Required Monthly Reports to be Furnished to Local School Board," states, "...Presentation of reconciled bank statements should be made at the next regular board meeting after the bank statements are reconciled to the District's general ledger cash balances in a timely and accurate manner."

Finding Detail: During the testing of the School District's bank reconciliations, the auditor noted four bank accounts were not properly reconciled to the District's general ledgers' cash balance, totaling **\$2,183**.

- Morton Lunch Room - **\$617**
- Sebastopol Lunch Room - **\$559**
- Scott Central Lunch Room - **\$500**
- Scott County Lunch Room - **\$507**

Failure to record all transactions in the general ledger and properly reconcile bank statements could result in errors, misstatement of the District's financial statements, or fraud occurring without being detected in a timely manner.

Recommendation: We recommend the Scott County School District strengthen internal controls over bank reconciliations by implementing policies and procedures to ensure all bank statements are reconciled timely and properly to the District's general ledger. We also recommend Management reconcile bank accounts monthly to the general ledger by each fund in order to effectively and timely account for any variance from the District's book balances.

District's Response: The District will reconcile all bank accounts to the book balance on a monthly basis.

Repeat Finding: No.

Finding 2: The School District Should Strengthen Internal Controls over Activity Fund Cash Receipts and Deposits.

Internal Control Deficiency: *The Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Tread-way Commission* specifies that a satisfactory control environment is only effective when there are adequate control activities in place. Good internal controls require the functions of processing, recording transactions, and maintaining custody of related assets to be properly recorded to ensure the assets are safeguarded against loss from unauthorized use or theft.

Finding Detail: During the testing of the School District's activity fund receipts and deposits, the auditor noted a net overage of \$302 between deposits and ticket sales for varsity football and basketball games.

Inadequate internal controls related to activity fund revenue collections, proper receipting, and depositing could result in a loss of assets and improper revenue recognition.

Recommendation: We recommend the Scott County School District strengthen controls over activity fund revenue by enforcing policies and procedures to ensure receipts from all activity are safeguarded, adequately recognized, and recorded.

District's Response: Scott County School District will ensure that all revenue is correctly recorded and deposited in an accurate and timely manner.

Repeat Finding: No.

OTHER DEFICIENCY AND INSTANCES OF NONCOMPLIANCE WITH STATE LAW

Finding 3: The School District Should Strengthen Internal Controls and Ensure Compliance with State Laws over Travel Reimbursements.

Internal Control Deficiency: Management is responsible for properly safeguarding the assets of the District and ensuring all reimbursements are approved, documented, and allowed.

Applicable Law: *Section 25-3-41(4), Mississippi Code Annotated (1972)*, states, "In addition to the foregoing, a public officer or employee shall be reimbursed for other actual expenses such as meals, lodging and other necessary expenses incurred in the course of the travel, subject to limitations placed on meals for intrastate and interstate official travel by the Department of Finance and Administration, provided, that the Legislative Budget Office shall place any limitations for expenditures made on matters under the jurisdiction of the Legislature. The Department of Finance and Administration

shall set a maximum daily expenditure annually for such meals and shall notify officers and employees of changes to these allowances immediately upon approval of the changes.”

Finding Detail: During the testing of 15 of the School District’s travel reimbursements, the auditor noted the following instances of non-compliance:

- One meal reimbursement was above the maximum daily limit allowed set by the Department of Finance and Administration;
- The District could not provide documentation of prior approval for four conventions; and
- Two instances in which meals could not be verified as not being a part of the registration.

Lack of adequate controls could result in the fraud, loss, or misappropriation of public funds.

Recommendation: We recommend the Scott County School District strengthen controls and ensure compliance over travel reimbursements by strengthening policies and procedures surrounding reimbursements for professional travel expenses.

District’s Response: The District will implement procedures to make sure all travel and meal reimbursements comply with limitations set by the Department of Finance and Administration. We will also ensure that all employee travel outside the District is preapproved in writing by the Department’s Supervisor or Official.

Repeat Finding: No.

INSTANCES OF NONCOMPLIANCE WITH STATE LAW

Finding 4: The School District Should Ensure Compliance with State Laws over Purchasing.

Applicable State Laws: *Attorney General Opinion No. 2012-00158*, states, “The ultimate goal of the public purchasing statute, found at *Mississippi Code Annotated Section 31-7-13*, is to encourage competition to ensure efficiency and economy in purchases made by public entities. In fact, *Section 31-7-13(c)(iv)(l)*, specifically prohibits a public entity from writing bid specifications that exclude comparable equipment. However, clearly, the Legislature intended, in its adoption of *Section 31-7-13(c)(iv)(l)*, to create an exemption to that prohibition. *Section 31-7-13(c)(iv)(l)* provides the following: Specification pertinent to such bidding shall be written so as not to exclude comparable equipment of domestic manufacture. However, if valid justification is presented, the Department of Finance and Administration or the board of a governing authority may approve a request for a specific equipment necessary to perform a specific job. Further, such justification, when placed on the minutes of the board of a governing authority, may service as authority for that governing authority to write specification to require a specific item of equipment needed to perform a specific job...”

Section 31-7-13(b) Mississippi Code Annotated (1972), states, “Purchases which involve an expenditure of more than Five Thousand Dollars (\$5,000.00) but not more than Fifty Thousand Dollars (\$50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two (2) competitive written bids have been obtained... “The term “competitive written bid” shall mean a bid submitted on a bid form furnished by the buying agency or governing authority and signed by authorized personnel representing the vendor, or a bid submitted on a vendor’s letterhead or identifiable bid form and signed by authorized personnel representing the vendor. “Competitive” shall mean that the bids are developed based upon comparable identification of the needs and are developed independently and without knowledge of other bids or prospective bids. Any bid item for construction in excess of Five Thousand Dollars (\$5,000.00) shall be broken down by components to provide detail of component description and pricing. These details shall be submitted with the written bids and become part of the bid evaluation criteria. Bids may be submitted by facsimile, electronic mail or other generally accepted method of

information distribution. Bids submitted by electronic transmission shall not require the signature of the vendor's representative unless required by agencies or governing authorities."

Section 31-7-305(2), Mississippi Code Annotated (1972), states, "All public bodies that are authorized to issue checks in payment of goods and services and are not required to issue requisitions for payment to the State Fiscal Management Board shall mail or otherwise deliver such checks no later than forty-five (45) days after receipt of the invoice and receipt, inspection and approval of the goods or services."

Finding Detail: During the testing of the School District's purchasing expenditures, the auditor noted the following instances of non-compliance:

- The School Board approved four sole – source purchases totaling **\$33,704** based on letters from the vendor, instead of advertising for bids;
- Two vendor purchases totaling **\$12,236** did not have two quotes/bids;
- Three vendor purchases totaling **\$24,863** did not have comparable quotes/bids;
- The School Board approved one vendor purchase as other than the lowest bid; however, justification was not spread across the Board minutes; and
- One invoice was paid more than 45 days after being received within the District.

Failure to follow purchasing laws could result in fraud or misappropriation of public monies and resulted in the District's non-compliance with state laws.

Recommendation: We recommend the Scott County School District ensure compliance with purchasing laws by ensuring that aforementioned state laws and regulations are followed and monitored.

District's Response: The District will ensure compliance with Mississippi Purchasing Laws by obtaining at least two competitive quotes for purchases over **\$5,000**. We will also make sure all invoices are paid within 45 days.

Repeat Finding: No.

Finding 5: The School District Should Ensure Compliance with State Laws over the Approval of Depositories.

Applicable State Law: *Section 37-7-333, Mississippi Code Annotated (1972)*, requires all public funds to be placed in the depository or depositories selected by the School Board in the same manner as provided in *Section 27-105-305, Mississippi Code Annotated (1972)* for the selection of county depositories. *Section 37-7-333, Mississippi Code Annotated (1972)*, also requires the bids of the financial institutions keeping school funds be effective on July 1st of each year. Further, School Boards are allowed to advertise and accept bids for depositories, not less than once every three (3) years, when the School Board determines that it can obtain a more favorable rate of interest and less administrative processing.

Finding Detail: During the review of the School District's depository bids, the auditor noted that on June 12, 2018, the School Board approved one depository using a prior year's bid proposal; however, according to the Board minutes for June 13, 2017, the bid proposal for the aforementioned depository was not approved.

Due to inadequate internal controls surrounding its depositories, the District is not in compliance with state law.

Recommendation: We recommend the Scott County School District ensure compliance with *Section 37-7-333, Mississippi Code Annotated (1972)* by properly accepting bids for depositories by July 1st every three years.

District's Response: Scott County Schools will receive and approve depository bid proposals in compliance with *Mississippi Code Annotated Section 37-7-333*.

Repeat Finding: No.

Finding 6: The School District Should Ensure Compliance with State Laws over Statements of Economic Interest.

Applicable State Law: *Section 25-4-25, Mississippi Code Annotated (1972)*, provides that "Each of the following individuals shall file a statement of economic interest with the commission in accordance with the provisions of this chapter: a) Persons elected by popular vote *Section 25-4-29(1), Mississippi Code Annotated (1972)*, provides that "Required statements hereunder shall be filed as follows: a) Every incumbent public official required....to file a statement of economic interest shall file such statement with the commission on or before May 1 of each year that such official holds office, regardless of duration...2) Any person who fails to file a statement of economic interest within thirty (30) days of the date of the statement is due shall be deemed delinquent by the commission...a fine of Fifty Dollars (\$50.00) per day, not to exceed a total fine of One Thousand Dollars (\$1,000.00) shall be assessed against the delinquent filer for each day thereafter in which the statement of economic interest is not properly filed. The commission shall enroll such assessment as a civil judgment with the circuit clerk in the delinquent filer's county of residence..."

Finding Detail: During the testing of the School District's Statements of Economic Interest, the auditor noted the following instances of non-compliance:

- Three Board members failed to file the Statement of Economic Interest by May 1st; and
- One Board member had not filed a Statement of Economic Interest since 2017.

Failure to file the Statement of Economic Interest, as required by state law, results in noncompliance with *Section 25-4-25* and could result in fines being assessed and a civil judgment being enrolled against the delinquent filers, as allowed by *Section 25-4-29(2)*.

Recommendation: We recommend the Scott County School District ensure compliance by ensuring School Board members file a Statement of Economic Interest annually, no later than May 1st of each year that such official hold office, regardless of duration.

District's Response: The District will create and follow procedures to ensure the School Board members file a Statement of Economic Interest each year no later than May 1st.

Repeat Finding: No.

Finding 7: The School District Should Ensure Compliance with State Laws over Sixteenth Section Taxes and Appraisals.

Applicable State Laws: *Section 29-3-57, Mississippi Code Annotated (1972)*, states the superintendent of education should terminate lease agreements that are sixty (60) days in default.

Section 27-3-71, Mississippi Code Annotated (1972), states, "Sixteenth section lands reserved for the use of schools, or lands reserved or granted in lieu of or as a substitute for the sixteenth sections, shall be liable, after the same shall have been leased, to be taxes as other lands are taxed during the continuance of the lease, but in case of sale thereof for taxes, only the title of the lessee or his heirs or assigns shall pass by the sale." In addition, the standard lease agreement used by the district between the lessee and lessor states, "Lessee shall pay all taxes levied, if any, on said property time to prevent default."

Section 29-3-65, Mississippi Code Annotated (1972), states, "One (1) year prior to the date, when any such lands, not subject to competitive bid procedures, shall become available for lease, the board of education shall appoint a competent

appraiser to appraise the land and report to the board his recommendation for the fair market rental amount. The board shall then determine whether the same be a reasonable amount, and shall grant the lease pursuant to *Section 29-3-63*.”

Finding Detail: During the review of 20 of the School District’s sixteenth section leases, the auditor noted the following instances of noncompliance:

- Taxes were not current on seven leases; however, the lease agreements were not terminated; and
- There was no appraisal documented in the file for one lease prior to entering into a new lease agreement.

Failure to terminate lease agreements due to non-payment of property taxes and appoint appraisers resulted in noncompliance with state laws and regulations.

Recommendation: We recommend the Scott County School District ensure compliance over sixteenth section revenue by ensuring lease payments are made within 60 days and an appraisal is appointed one year before the rental of sixteenth section land, as required by state laws and regulations.

District’s Response: The District will comply with *Mississippi Code Section 29-3-57* and *29-3-65*.

Repeat Finding: No.

Finding 8: The School District Should Ensure Compliance with State Laws over Surety Bonds.

Applicable State Laws: *Section 25-1-15(2), Mississippi Code Annotated (1972)*, states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.”

Section 37-6-15, Mississippi Code Annotated (1972), states, “Before entering upon the discharge of the duties of his office, each member of the school board shall give a surety bond in the penal sum of Fifty Thousand Dollars (\$50,000), with sufficient surety, to be payable conditioned and approved in the manner provided by law. The school board may execute a blanket bond for each school district official and employee (including school business managers and any other employee who receipts and/or disburses school district funds) in the penalty of Fifty Thousand Dollars (\$50,000), unless a different penalty is prescribed by statute, to be payable, conditioned and approved in the manner provided by law. The premium on said bond shall be paid out of the school district maintenance fund.”

Finding Detail: Based on the review of the School District’s surety bonds, the auditor noted three Board Members’ bonds were continuation certificates.

A “Continuation Certificates” is a document that extends the life of the original surety bond. A “Continuation Certificate” only covers the current bonding periods. Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms. Additionally, failure to comply with the state statute, by being correctly and sufficiently bonded, could result in the loss of public funds.

Recommendation: We recommend the Scott County School District ensure compliance by securing new bonds every four years, concurrent with the normal election cycle of the Governor or with the normal elections cycle of the local government applicable to the employee as statutorily required.

District’s Response: The District will make sure bonds are executed, filed, and recorded in the Chancery Clerk’s office for all Principals, Board Members, Superintendent, and Purchasing Agents.

Repeat Finding: No.

Finding 9: The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

Applicable State Laws: *Section 25-11-127(4), Mississippi Code Annotated. (1972)*, states, “Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment.”

Mississippi Public Employment Retirement System (PERS) Board Regulation 34, Section 105, states, “The lawfully employ a PERS service retiree under Section 103, the employer must notify PERS in writing of the terms of the eligible employment within five (5) days from the date of employment and also from the date of termination on a form prescribed by the Board. Failure by the employer to timely notify PERS may result in the assessment of \$300 penalty per occurrence payable by the employer.”

Finding Detail: During the review of the School District’s PERS Form 4Bs, the auditor noted the following instances of non-compliance:

- Two out of 12 retirees were paid more than the allowed salary by PERS, totaling **\$1,590**;
- Three out of 12 PERS Form 4Bs were not filed within five days of rehire;
- Four out of 12 PERS Form 4Bs were submitted before the retirees’ rehire and signature dates;
- One out of 12 PERS Form 4B did not have the retiree’s complete retirement date; and
- One out of 12 retiree signed the PERS Form 4B 56 days after retirement.

Failure to file and complete the Form 4B, and comply with *Section 25-11-127(4)* could result in overpayment of a retiree and the School District being assessed penalties by PERS.

Recommendation: We recommend the Scott County School District ensure compliance with *Section 25-11-127(4)* and PERS by properly paying employees, completing, and filing Form 4Bs within five days.

District’s Response: The District will notify PERS via completing Form 4Bs within five days of the hire date of retired personnel and also within five days of the termination of employment of retired personnel.

Repeat Finding: No.

Other Recommendations by Office of the State Auditor

OSA recommends that School Board consider obtaining surety bonds for the Business Manager, Purchase Agents, and Principals. As noted during our test work, two Purchase Agents and 11 Principals are covered under a “Continuation Certificate.” A “Continuation Certificate” is a document that extends the life of the original surety bond. A “Continuation Certificate” only covers the current bonding period rather than both the current and previous periods. Failure to have a bond in place for a specific term of employment could limit the amount available for recovery if a loss occurred over multiple terms.

End of Report

SCOTT COUNTY SCHOOLS

Dr. Tony McGee, Superintendent
Chad Harrison, Assistant Superintendent

Courthouse Annex
110 Commerce Loop
Forest, MS 39074
Telephone; 601-469-3861
Fax: 601-469-3874
www.scott.k12.ms.us

COMPLIANCE REVIEW FINDINGS

February 22, 2022

Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

Dear Mr. White:

The Scott County School District has received the report of findings from the Limited Internal Control and Compliance Review audit conducted for the fiscal year ending June 30, 2020. Enclosed, for your review, are the responses and corrective action plans.

AUDIT FINDINGS:

Finding 1: The School District Should Strengthen Internal Controls over Bank Reconciliations.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will ensure that the Lunch Room bank accounts are reconciled monthly and the balance is accounted in the District's general ledger.
- B. Responsible Person(s): Veronica Martin, Business Manager, and Vivian McGarrity, Director of Child Nutrition.
- C. This action has been implemented.

Finding 2: The School District Should Strengthen Internal Controls over Activity Fund Cash Receipts and Deposits.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will continue to stress with principals, secretaries, and ticket takers the importance of reconciling ticket receipt forms. The District will emphasize the importance to staff that all revenue is correctly recorded and deposited in an accurate and timely manner.
- B. Responsible Person(s): Veronica Martin, Business Manager, and Dr. Tony McGee, Superintendent
- C. This action has been implemented.

Finding 3: The School District Should Strengthen Internal Controls and Ensure Compliance with State Laws over Travel Reimbursements.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will ensure all travel and meal reimbursements comply with limitations set by the Department of Finance and Administration. We will also ensure that all employee travel outside the District is preapproved in writing by the Department's Supervisor.
- B. Responsible Person(s): Dr. Tony McGee, Superintendent
- C. This action has been implemented.

Finding 4: The School District Should Ensure Compliance with State Laws over Purchasing.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will ensure compliance with Mississippi Purchasing Laws by obtaining at least two competitive quotes for purchases over \$5,000. We will also make sure all invoices are paid within 45 days.
- B. Responsible Person(s): Veronica Martin, Business Manager
- C. This action has been implemented.

Finding 5: The School District Should Ensure Compliance with State Laws over the Approval of Depositories.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will receive and approve depository bid proposals in compliance with Mississippi Code Annotated Section 37-7-333.
- B. Responsible Person(s): Veronica Martin, Business Manager
- C. The District will address compliance on an annual basis moving forward.

Finding 6: The School District Should Ensure Compliance with State Laws over Statements of Economic Interest.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will add the Statement of Economic Interest filing requirement to its Board Agenda, and the Superintendent's Office will review the Mississippi Ethics Commission website to confirm timely filing.
- B. Responsible Person(s): Dr. Tony McGee, Superintendent, and Susan Cash, Board Secretary
- C. The Superintendent's Office will address compliance on an annual basis moving forward.

Finding 7: The School District Should Ensure Compliance with State Laws over Sixteenth Section Taxes and Appraisals.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will reach out to the Tax Assessor's office to receive listing of taxes not paid for 16th Section leases and reach out to these leaseholders to ensure taxes are paid on current leases. The District will comply with *Mississippi Code Section 29-3-57, 29-3-71, and 29-3-65*
- B. Responsible Person(s): Veronica Martin, Business Manager, and Betty Weaver, 16th Section Clerk

C. This action has been implemented.

Finding 8: The School District Should Ensure Compliance with State Laws over Surety Bonds.

Response: The District concurs with the finding.

Corrective Action Plan:

- A. All board members are covered by surety bonds for a defined period of time.
- B. Responsible Person(s): Veronica Martin, Business Manager, and Susan Cash, Board Secretary
- C. This action has been implemented.

Finding 9: The School District Should Ensure Compliance with State Laws over Reemployment of Retired Public Employees.

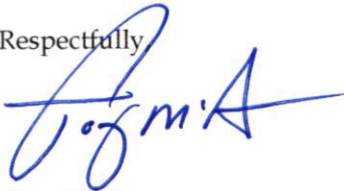
Response: The District concurs with the finding.

Corrective Action Plan:

- A. The District will ensure compliance with state law and PERS by properly paying employees and completing and filing Form 4Bs within five days of rehire.
- B. Responsible Person(s): Veronica Martin, Business Manager, and Christy Gibbs, Human Resources Clerk
- C. This action has been implemented.

Please do not hesitate to contact me if additional information is needed.

Respectfully

A handwritten signature in blue ink, appearing to read 'T. McGee', with a stylized flourish extending to the right.

Tony McGee
Superintendent