



Office of the Washington State Auditor
Pat McCarthy

Assessment Audit Report
Grapeview School District No. 54

For the period September 1, 2014 through August 31, 2018

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**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Board of Directors
Grapeview School District No. 54
Grapeview, Washington

Report on Assessment Audit

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor’s Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

The attached report describes the procedures performed and conclusions for the areas we reviewed. We appreciate the opportunity to work with your staff and we value your cooperation during the assessment audit.

Sincerely,

Signature Here (Please do not remove this line)

Pat McCarthy
State Auditor
Olympia, WA

AUDIT SUMMARY

Results in brief

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the District was not in substantial compliance with applicable state laws, regulations, and its own policies, or had significant weaknesses in controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

About the assessment audit

This report contains the results of our independent audit of Grapeview School District No. 54 from September 1, 2014 through August 31, 2018.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives. School Districts are also required by state law (WAC 392-117-035) to prepare and submit certified annual reports to the Office of the Superintendent of Public Instruction (OSPI) detailing the District's revenues and other financing sources, expenditures and other financing uses, assets, liabilities, financial condition, and fund balances.

This assessment audit was conducted under the authority of RCW 43.09.260, which requires the State Auditor's Office to examine the financial affairs of all local governments at least once every three years. Assessment audits are risk-based, limited-scope reviews of small local governments, generally defined as school districts with 250 or fewer FTE students. To help minimize audit costs, our work for this engagement was conducted off-site primarily using financial and other information provided by the District.

This assessment audit was limited to the following:

- Reviewing meeting minutes for compliance with the Open Public Meetings Act.
- Inquiring as to internal controls over assets, revenues, and disbursements.
- Verifying that annual reports submitted to our Office were complete and filed timely in compliance with state law.
- Reviewing the District's annual revenues and expenditures for unusual transactions or trends.
- Corroborating financial information reported by the District by comparing its annual revenues, expenditures, and cash and investment balances to third-party sources.

- Reviewing expenditures for indications of unusual activities, excessive Board of Directors compensation, conflicts of interest, or procurement requirements.
- Evaluating the District's financial information for indications of financial difficulties.
- Using validation queries to verify the completeness and accuracy of WESPac data.
- Reviewing payroll transactions for unusual or excessive payments.

INFORMATION ABOUT THE DISTRICT

Grapeview School District provides educational services to approximately 218 students in kindergarten through eighth grade in Mason County. High school students attend either North Mason or Shelton school districts. The District is governed by a five-member Board of Directors who appoints a Superintendent to oversee the daily operations. For the 2017-18 fiscal year, the District operated on an annual budget of approximately \$2.9 million.

Contact information related to this report	
Address:	Grapeview School District No. 54 E 822 Mason Benson Grapeview, WA 98546
Contact:	Tracy Arkin, Business Manager
Telephone:	360-426-4921
Website:	www.gsd54.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for Grapeview School District No. 54 at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR’S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor’s Office	
Public Records requests	PublicRecords@sao.wa.gov
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Exit Letter: Grapeview School District No. 54

July 18, 2019

About our Office

The Washington State Auditor's Office's vision is increased trust in government. Our goal is to make government work better through increased accountability, efficiency and transparency.

This letter shares our audit results with management and the governing body. We value and appreciate your participation. This letter is not your official audit report, which we publish on our website. You will receive a separate email with a link to that report.

Audit Highlights

The District's audit contact was very helpful and responsive during the audit process and sent all requested information in a timely manner.

About The Audit

We performed a Local Government Assessment Audit for fiscal years 2015, 2016, 2017 and 2018 for Grapeview School District: This type of audit is a risk-based audit wherein we review the school district's information submitted via the annual report filing process. Assessment Audits are typically performed for governments that receive \$300,000 or less in annual revenues or for school districts with less than 250 full-time students. Other factors may be present that keeps your government on an Assessment Audit cycle even when exceeding the thresholds stated. However, if the government continues to exceed the thresholds stated, is noncompliant with filing requirements or other risk factors are present then the audit could be performed on-site in the future. Further, if expenditures of federal awards are \$750,000 or more in any fiscal year, notify our office as federal rules require the school district to receive a financial and federal audit for that year.

Audit Results

In relation to our report that will be issued on our website, we would like to bring to your attention the results of our audit:

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the District was not in substantial compliance with applicable state laws, regulations, and its own policies, or had significant weaknesses in controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

We have provided exit recommendations for management's consideration below. Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. These exit recommendations are not published with the audit report that is visible to the public on our website but are items documented and reviewed by our Office for District management to consider and address. The exit recommendations are as follows:

Executive Sessions: We observed the Board Meeting minutes did not include an allowable purpose for the executive sessions held on January 22, 2019, March 26, 2019 and May 23, 2019. Additionally, the minutes did not include the announcement of the expected duration for the executive sessions held on January 23, 2018, February 26, 2019, March 26, 2019 and May 26, 2019 or documentation indicating the session was extended on January 23, 2018 and June 5, 2018.

We recommend the District ensure the minutes include allowable purposes for executive sessions and the announcement for the expected duration and extensions are in accordance with the Open Public Meetings Act.

Status of Prior Audit Recommendations

Prior Audit Recommendations	Resolved	Unresolved
None	N/A	N/A

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/saoportal/Login.aspx>

Audit Cost

In the entrance communication we estimated the cost of the audit to be \$3,200 and actual audit costs will approximate that amount.

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

We appreciate your assistance throughout the audit. We hope you find the information above informative and helpful to the government's operations. If you have any questions or concerns, please call or email at your convenience and we can discuss your audit.