



Thomas A. Schweich
Missouri State Auditor

**FOLLOW-UP REPORT ON
AUDIT FINDINGS**

**Ash Grove R-IV School
District**

November 2014
Report No. 2014-108



<http://auditor.mo.gov>

Ash Grove R-IV School District
Follow-Up Report on Audit Findings
Table of Contents

State Auditor's Letter 2

Status of Findings*

1. Accounting Controls over Cash Receipts and Change Funds.....3
2.1 District Compensation - Employment contracts and stipends7
2.3 District Compensation - Step-ladder program8
3. Payroll Procedures, Records, and Policies.....9
4.3 Bond Refinancing, Procurement Procedures, and Construction
 Projects - Professional services 11
5.1 Disbursements - Segregation of duties and approval process.....12
5.2 Disbursements - Conflict of interest 13
5.3 Disbursements - Petty cash bank account.....13
6. Budget Monitoring and Accounting Records and Controls..... 13
7.1 Attendance Reporting and Computer Controls - Attendance
 reporting 15
7.2 Attendance Reporting and Computer Controls - Access
 restrictions 15
8.2 School Board Procedures and Minutes - Minutes..... 16
9. Capital Assets and Fuel Usage..... 16

*Includes selected findings



THOMAS A. SCHWEICH

Missouri State Auditor

To the Board of Education
Ash Grove R-IV School District

We have conducted follow-up work on certain audit report findings contained in Report No. 2014-031, *Ash Grove R-IV School District*, issued in May 2014, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and indicates that it will not do so.

Our methodology included working with the district, prior to completion of the audit report, to develop a timeline for the implementation of corrective action related to the audit recommendations. As part of the AFTER work conducted, we met with district officials and personnel and reviewed supporting documentation they provided us. Documentation reviewed included School Board meeting minutes, policies, receipt and deposit records, payroll records, employment contracts, year-end financial reports, budgets, and various other district records. This report is a summary of the results of this follow-up work, which was substantially completed during October 2014.

A handwritten signature in black ink that reads "Thomas A. Schweich".

Thomas A. Schweich
State Auditor



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

The administrative office and schools did not have adequate procedures in place to properly record all monies received. Some district receipts are handled by several employees before deposit and there was not always adequate documentation to support the transmittal of monies from one district employee to another. District personnel issued generic rediform manual receipt slips for some monies received. Receipt slips did not always indicate the composition of receipts, and the district did not reconcile the method of payment on the receipt slips to the composition of receipts recorded in the accounting system or to the deposit or transmittal. Original copies of some voided receipt slips were not retained.

The Secretary to the School Board did not always deposit monies received timely and intact. Teachers and school secretaries did not always transmit monies collected to the administrative office timely. Teachers sometimes used student activity fees to pay expenses of events rather than the fees being transmitted to the school secretary for deposit. One teacher borrowed monies from district receipts located in the junior high/high school office. Cash received at the junior high/high school office for caps, gowns and other graduation items ordered by students was paid directly to a vendor without documentation of transmittal. The district did not require inventory records of concession items purchased, sold, and on hand to be maintained, and reconciled to concession monies collected.

Recommendation

The School Board establish written policies to address the types of records to be maintained and procedures to be followed for the collection of district monies and monitor controls and procedures in all district schools and the administrative office. In addition, the Board should ensure transmittals of monies between employees are documented, checks are issued for purchases, and amounts collected for concessions are periodically reconciled to changes in concession inventory.

Status

In Progress

The School Board has established written policies to address the types of records to be maintained and procedures to be followed for the collection, transmittal, and handling of district monies.

Prenumbered official receipt slips are issued by the Secretary to the School Board and the method of payment is documented. However, during our review of receipt slips issued from August 15 to August 25, 2014, receipt slips were not issued for \$9,460 received by the district through the mail. The Secretary to the School Board indicated she would immediately start issuing receipt slips for all monies received, including those received through the mail.

During the period August 14 through August 25, 2014, the junior high/high school secretary issued prenumbered official receipt slips for all monies



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

received, documented the method of payment, and transmitted the monies received timely to the Secretary to the School Board for deposit. Junior high/high school teachers issued prenumbered official receipt slips for monies received for this time period; however, the receipt slips were not always complete. Some receipt slips issued did not include the date of receipt or person receiving the monies. In addition, some of the teachers did not follow the district's new policy to transmit all monies received to the building secretary and instead transmitted the monies to the Secretary to the School Board. The junior high/high school Principal indicated the handling of district monies and related district policies would be re-communicated to the teachers.

Prenumbered official receipt slips are issued by the Ash Grove and Bois D'Arc Elementary secretaries. However during our review of manual receipt slips issued from August 14 through August 25, 2014, the receipt slips were not always issued in date sequence. The secretaries indicated they record meal collections in the computerized meal system at the time of receipt, and when time allows they issue manual receipt slips. We noted the method of payment was recorded on manual receipt slips and in the computerized meal system; however, the secretaries did not generate a collection report from the computerized system or compare the composition of manual receipt slips to the deposit. The composition of receipts (cash and check), according to the meal system collection reports generated at our request for August 14 and 15, 2014, did not agree to the composition of monies transmitted to the Secretary to the School Board for either elementary school. In addition, meal collections for August 14 and 15, 2014, were not transmitted to the Secretary to the School Board until August 18, 2014 (Ash Grove Elementary), and August 21, 2014 (Bois D'Arc Elementary). Both elementary secretaries indicated they would immediately start transmitting monies more timely, generating a computerized meal collection report at the time of transmittal, and comparing composition of monies received to those transmitted, documenting any differences.

The Superintendent indicated the district will start monitoring concession inventory in January 2015, by taking an inventory at the beginning of the year and regular inventories throughout the school year. Concession monies collected will be reconciled to concession inventories and purchases.

1.3 Security of monies

Monies collected were not always maintained in a secure location, and the district had numerous cash collection points throughout the schools. Teachers stored student activity monies in unlocked desks and file cabinets in classrooms at the junior high/high school, and were also allowed to store monies in a closet in the school office, which was accessible to all employees of that school during the school day. These monies were not tracked or accounted for by the school's secretary. In addition, checks received were not always restrictively endorsed immediately upon receipt.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

Recommendation

The School Board maintain monies collected in a secure location, restrictively endorse checks and money orders immediately upon receipt, and consider establishing centralized collections points.

Status

Implemented

The district implemented new policies requiring all monies collected by teachers to be submitted to the building secretaries daily. Each building secretary indicated monies held overnight are stored in a locked safe, and checks and money orders are endorsed upon receipt.

1.4 Meal collections

The district did not account for tokens and meal cards or perform a reconciliation of the tokens and meal cards to the related monies collected.

The junior high/high school secretary did not maintain a daily collection log to account for meals purchased by students, and the district had not established procedures to account for tokens and meal cards used by students to obtain meals. The junior high/high school secretary prepared a weekly meal report; however, it was not complete. The junior high/high school secretary transmitted lunch monies to the Secretary of the School Board for deposit, and no meal collection report was prepared to support the transmittal.

Elementary teachers did not use a consistent form of recording student meal collections, and the elementary secretaries did not maintain a complete and accurate daily collection log. The elementary secretaries prepared a monthly report of meals served and collection log for the administrative office; however, the collection log was not accurate.

Meal collections were not always transmitted to the administrative office timely. Due to the lack of records maintained by the junior high/high school and elementary offices, the district did not have an adequate system to track meal accounts receivables or payables. A reconciliation of meals served to meals purchased, charged, and any meal monies on hand was not performed. Discrepancies were noted between the amount of meal collections (based upon records of meals served) and the amount of meal collections deposited.

Recommendation

The School Board ensure adequate controls, procedures, and records are established to properly account for meal collections at each school.

Status

In Progress

The district implemented a new meal collection system in Spring 2014. However, the two elementary schools were not generating computerized collection reports for each transmittal made to the Secretary to the School



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

Board. The secretaries at each school indicated they would immediately start preparing these reports. The junior high/high school secretary was transmitting meal collections to the Secretary to the School Board timely; however, the two elementary school secretaries were not. An accounts receivable report is not being generated or reviewed by district personnel at any of the three schools. The Superintendent indicated the district would immediately start to transmit monies received at the elementary schools more timely. The Superintendent also indicated the school district would contact the computer programmer to obtain a report that displays accounts receivable, which will then be reviewed and documented for accuracy by building Principals at least monthly starting in November 2014. The Secretary to the School Board reconciles meals served to invoices from the food service vendor.

1.5 Change funds

Controls over district change funds needed improvement. The district did not have a list of approved change funds and the authorized balances, or a written policy regarding change funds. Some change funds were not maintained at a constant amount, some schools occasionally held monies out of district receipts to make change, and one teacher indicated he used personal monies to make a change fund for student activities collected in his classroom. Adequate documentation of change funds given to/returned by district personnel for sporting events or student activities was also not maintained. The district's accounting records did not include the balance of change funds held.

Recommendation

The School Board establish written procedures governing the accounting for change funds. Also, the School Board should maintain a list of each change fund and the authorized balance of each fund, and record the cash on hand in the accounting system. In addition, the School Board should ensure the change funds are periodically counted and reconciled to the authorized balance by an independent person.

Status

In Progress

The district has not established written procedures governing the accounting for change funds; however, the Superintendent indicated the district will establish written procedures governing these funds by January 2015. A list of 10 change funds totaling \$2,130 is being maintained and recorded in the district's accounting system. The former Superintendent counted each of the change funds in August 2014, and reconciled the balances to the list and amounts recorded in the accounting system.

2.1 District Compensation - Employment contracts and stipends

The district did not have adequate procedures for approving employment contracts, and did not prepare employment contracts or separately approve salary schedules for tenured teachers. Contract amendments contained errors



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

and were not properly approved and signed, and district procedures for stipends were informal.

The School Board did not review or approve non-tenured or administrative employees' employment contracts. These employment contracts were prepared and signed by the Secretary to the School Board. The Secretary to the School Board applied the Board President's electronic signature to the contracts, but a subsequent review of the contracts was not performed by the Board President or the School Board. Additionally, in some instances, these employment contracts were only signed by the Secretary to the School Board and the employee. Salary schedules for tenured teachers (who did not have employment contracts) were not separately approved by the School Board. As a result, the School Board approved compensation of tenured teachers through adoption of the district's annual budget, and three Board members approved compensation of relatives in this manner. The district did not prepare extra duty contracts, defining job duties or additional responsibilities performed for stipends paid.

Recommendation

The School Board ensure employment contracts and amendments are reviewed for accuracy and are signed by either the Superintendent or a Board member and the employee. The School Board should reconsider its process of approving tenured teachers' salaries and establish adequate policies and procedures requiring extra duty contracts be prepared that specify the stipend amount and duties to be performed.

Status

Implemented

All 2014-2015 school year employment contracts and amendments reviewed were accurate, and signed by a Board member and the employee. The School Board approved tenured teachers compensation for the 2014-2015 school year separately from the budget, and no Board members approved the compensation of relatives. Extra duty contracts reviewed for the 2014-2015 school year specified the stipend amount to be paid and duties to be performed.

2.3 District Compensation - Step-ladder program

The district had not established adequate policies and procedures for the step-ladder program, which gave compensation to teachers who provided student services and assistance beyond the traditional teaching responsibilities. The School Board had not approved a step-ladder plan in accordance with Board policy prior to disbursing step-ladder payments. Clear and consistent criteria had not been established to evaluate how compensation under the step-ladder program was earned, and some step-ladder logs reviewed reported activities that did not meet the criteria established by the step-ladder committee. Principals did not always require participants to submit step-ladder logs for review in conjunction with the final review sheet, and step-ladder committee member discussions with



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

participants regarding variances between allowable step-ladder activities and step-ladder plans and related decisions were not documented. The step-ladder committee provided the district bookkeeper incorrect payment information, and as a result, the district over-compensated eight participants and paid compensation to five employees who were not participants in the program. The district was notified of the error by one of the over-compensated participants, and the district subsequently corrected the payments.

Recommendation

The School Board establish a clear and consistent step-ladder policy, require preparation of adequate supporting documentation to support decisions made and amounts paid, and ensure an adequate review is performed of all documentation.

Status

In Progress

The district substantially revised the step-ladder program, requirements, and forms for the 2014-2015 school year. Since the school year has not been completed, we were unable to review the district's supporting documentation and review procedures.

3. Payroll Procedures, Records, and Policies

Significant improvement was needed related to payroll procedures, records, and policies.

3.1 Payroll procedures

The district had not established adequate segregation of duties or supervision over the payroll functions, and various district personnel did not perform sufficient reviews of time records. Errors were noted with some time and leave records, and some employees were allowed to carry negative compensatory (overtime) leave balances. Some employees, including the Superintendent and Principals, did not prepare timesheets, timecards, and leave requests. Other district employees prepared timesheets, timecards, and leave requests; however, these documents were not always signed by the employees or their supervisor to document approval of time worked and leave used.

Recommendation

The School Board adequately segregate payroll duties or ensure a periodic, documented review of these functions is performed by someone independent of the payroll functions. The Board should discontinue the practice of allowing employees to use unearned leave.

Status

In Progress

The former Superintendent implemented procedures to review paystubs and the related payroll records for each pay period and to document that review. The August 14, 2014, payroll records we reviewed included documentation of his review. The current Superintendent, who started working for the



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

district on September 29, 2014, indicated he would continue reviewing payroll records using the developed procedures. The Secretary to the School Board indicated she compared the payroll leave records she prepared to the payroll leave records prepared by the district bookkeeper for the month of September 2014. These records agreed, but the comparison performed was not documented. The Secretary to the School Board indicated she would document her comparison in the future. During our review of payroll records for the period August and September 2014, we identified no errors and no employees had negative compensatory (overtime) leave balances. District officials indicated the Superintendent and Principals are now required to complete leave requests; however, formal written policies have not been established and no leave request forms were prepared for the time period reviewed. The Superintendent indicated formal written policies requiring the Superintendent and Principals to complete leave requests will be adopted. Timesheets, timecards, and leave requests reviewed were signed by the employees and their supervisor.

3.2 Post-retirement employees

The district bookkeeper did not properly track hours worked by employees retired under the Public School Retirement System and Public Education Employee Retirement System. As a result, payroll records did not reflect instances when a retired employee exceeded the 550 hour limit.

Per Section 169.560, RSMo, a teacher or school employee retired and currently receiving a retirement allowance may be employed in any capacity in a school district on either a part-time or temporary-substitute basis not to exceed a total of 550 hours in any one school year, and through such employment may earn up to 50 percent of the annual compensation payable under the employing district's salary schedule for the position or positions filled by the retiree, given such person's level of experience and education, without a discontinuance of the person's retirement allowance.

The district bookkeeper stopped recording her actual hours worked on the district's post-retirement log once she neared the 550 hour limit and did not report hours worked in excess of the 550 hour maximum in the 2012-2013 school year to the retirement systems. In addition, the district bookkeeper did not maintain a timesheet for June 2013; however, the district paid her normal monthly salary amount, and she performed the same duties in June 2013, as she had performed during the remainder of the school year. Instead of tracking and recording actual hours worked each day by post-retirement employees, the district recorded 2 hours worked for all bus drivers and 6 hours worked for all teachers per day on the post-retirement log. The district did not require at least 3 post-retirement employees to document hours worked, and as a result, could not monitor the 550 hour requirement.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

Recommendation The School Board ensure post-retirement employees timesheets reflect actual time worked and gross pay and actual hours worked are reported to the retirement systems to ensure applicable limits are not exceeded.

Status **Implemented**

Post-retirement employees timesheets reviewed for the period August 11 through September 12, 2014, reflected actual time worked and agreed to the post-retirement log maintained and reported to the retirement systems. None of the employees reviewed had worked hours in excess of the retirement systems limits.

3.3 Related employees A list of related employees and Board members was not maintained, and the district had not established adequate policies and procedures related to the hiring, supervising, or tracking of related employees.

Recommendation The School Board establish procedures to identify and monitor related employees, obtain related party information, verify information with each employee periodically, and ensure individuals are not working in conflicting employment capacities.

Status **Implemented**

A list of known related employees and Board members was prepared by the former Superintendent, and reviewed and approved by the School Board. School Board minutes indicated this information would be reviewed annually and become a permanent part of the budget.

4.3 Bond Refinancing, Procurement Procedures, and Construction Projects - Professional services The district had not established policies for the selection of some vendors providing professional services. Additionally, the district did not solicit requests for proposals for several professional services, including speech therapy, occupational therapy, physical therapy, athletic training, and legal. The district had not competitively bid independent auditing services or solicited proposals from various banking institutions in accordance with board policy. The district also did not have a written agreement for the speech therapy, athletic training, and legal services.

Recommendation The School Board periodically solicit proposals for professional and banking services, and enter into written agreements for professional services.

Status **Partially Implemented**

The district has not established policies for the selection of vendors providing professional services. District personnel indicated they did not solicit proposals for physical or speech therapy services because they believed there was only one provider in the area. District personnel solicited



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

proposals for occupational therapy and athletic training services; however, the selection process or reasons for selection of current vendors was not documented. The district competitively bid independent auditing services and solicited proposals from various banking institutions in accordance with Board policy.

The written agreements for physical, speech, and occupational therapy, and athletic training services were not signed by a member of the Board. The district entered into a written agreement with a law firm utilized for the period July 1, 2013, to June 30, 2014, which was signed by a member of the Board.

The district did not solicit proposals for additional legal services obtained in July 2014; however, the Board President indicated the firm's hiring was an emergency situation. The district was billed \$461 for legal services provided from July 2 to July 9, 2014, prior to the School Board approving the firm's hiring on July 14, 2014, in closed session. However, the law firm advised the Board President that it would credit the district's account for this amount, and the Secretary to the School Board reduced the October 2014 billing by \$461.

5.1 Disbursements -
Segregation of duties
and approval process

Accounting duties over disbursements were not adequately segregated, oversight by the Superintendent was not adequately documented, and the approval process for disbursements was not adequate.

Recommendation

The School Board adequately segregate accounting duties to the extent possible or ensure documented supervisory or independent reviews of the disbursement records are performed. In addition, the Board should ensure the list of bills provided for approval at monthly meetings is complete and the Superintendent adequately documents his review of invoices.

Status

Implemented

District personnel indicated the district is not able to adequately segregate accounting duties; however, review procedures have been established. The School Board now approves monthly a complete list of bills and compares payment information to invoices and checks written. Also monthly, the School Board President and Treasurer review the use of electronic signatures on checks, and 2 signatures (the School Board President and Treasurer) are now required for all bank accounts. Additionally, the former Superintendent implemented procedures to review disbursement records and document that review monthly. The current Superintendent indicated he would continue reviewing disbursement records using the developed procedures. We saw documentation of the review and approval process for July 2014 disbursements for all of these procedures.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

5.2 Disbursements -
Conflict of interest

During the 2012-2013 school year, the district purchased supplies totaling \$10,610 from a local hardware business owned by Board President Renshaw without soliciting bids. The Board President abstained from the approval of these payments; however, his signature appeared on 10 of 13 checks issued to the business. In addition, Board President Renshaw did not file a personal financial disclosure as required by Board policy.

Recommendation

The School Board ensure Board members avoid participation in situations that could result in the appearance of or actual conflict of interest and complete required financial disclosure statements.

Status

In Progress

Board President Renshaw was not re-elected to the School Board in April 2014. The current Superintendent indicated the School Board will approve a policy prohibiting financial transactions between the district and elected officials involving more than \$5,000 annually without public notice to solicit proposals and competitive bidding. The low bid will be accepted when there is a conflict of interest. In the future, all district Board members will file personal financial disclosure statements reporting each transaction in excess of \$500 annually in accordance with Board policy.

5.3 Disbursements - Petty
cash bank account

The administrative office used a petty cash bank account to pay 61 disbursements totaling \$19,259 without School Board approval during the 2012-2013 school year, and the School Board was unaware of this bank account and had not established formal policies for its use. In addition, adequate supporting documentation was not obtained for several of these disbursements, and the individual disbursements from the account were not recorded in the accounting system. All 61 checks for the petty cash account disbursements were signed by only 1 person in violation of Board policy.

Recommendation

The School Board determine if a petty cash account is needed, establish formal petty cash policies including purchasing limits; ensure only small and emergency expenditures are made from the account, adequate supporting documentation is obtained and reviewed, and checks are signed in accordance with Board policy.

Status

Implemented

The district closed this bank account in September 2013.

6. Budget Monitoring and
Accounting Records
and Controls

Budget monitoring, accounting record preparation, and accounting controls needed improvement.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

6.1 Budget monitoring

Information recorded in the district's accounting system was not complete and accurate, and the Board did not adequately monitor budget to actual receipts and disbursements.

Recommendation

The School Board establish procedures to properly monitor actual to budgeted activity in a timely manner.

Status

Implemented

During our review of the district's 2014-2015 school year budget and the related accounting records, we noted only minor differences, and budget to actual reports are provided to the Board monthly.

6.2 Adjustments

The Secretary to the School Board had the ability to post adjustments to the district's accounting system without obtaining independent approval.

Recommendation

The School Board require an independent review and approval of all adjustments.

Status

Implemented

The School Board is now provided a report of all adjustments to the accounting system in monthly meeting packets. We observed this information during our review of July and August 2014 meeting records. The School Board documented its review and approval of these reports.

6.3 Electronic signatures

Electronic signatures of the School Board President and Treasurer were not adequately safeguarded to prevent misuse and were not used in compliance with Board policy. The Secretary to the School Board frequently signed contracts using the Board President's electronic signature, which was not allowed by policy. In addition, the School Board President and Treasurer did not perform a subsequent review of the use of their electronic signatures.

Recommendation

The School Board review use of electronic signatures and the related Board policy. If needed, revise the policy to address use of electronic signatures.

Status

Implemented

All employment contracts reviewed for the upcoming 2014-2015 school year were personally signed by a Board member in compliance with Board policy. The School Board President and Treasurer review the use of electronic signatures on checks monthly We saw documentation of this review for checks issued in July and August 2014.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

**7.1 Attendance Reporting
and Computer Controls
- Attendance reporting**

The district's attendance system did not adequately track some changes made to attendance records or limit the time frame during which changes could be made and there was no review by district officials to ensure changes made to current school year attendance records were appropriate. Inaccuracies in the attendance records were identified.

Recommendation

The School Board implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time frame during which changes can be made. The School Board should also require an audit trail of changes made to attendance data be prepared and reviewed for accuracy.

Status

In Progress

The district has limited the time frame during which changes can be made to attendance records by teachers; however, changes to attendance can still be made at any time by each school's secretary. An audit trail of changes made to attendance data has also not been prepared or reviewed for accuracy.

The current Superintendent indicated beginning in November 2014, he will contact the programmer to limit the time frame in which secretaries may make changes to attendance records to a period of 2 weeks. An audit trail of changes made to attendance will be prepared and reviewed bi-annually by the Superintendent to reconcile any changes made to attendance reported to the Department of Elementary and Secondary Education.

**7.2 Attendance Reporting
and Computer Controls
- Access restrictions**

The district had not adequately restricted access to computer systems and data to only authorized users. Some district employees with no attendance related responsibilities had access to the attendance system. In addition, passwords to access the attendance tracking and accounting systems were not periodically changed, and some user identifications and passwords for other systems were shared by district employees.

Recommendation

The School Board ensure user access rights to the attendance system are limited, and require unique user identifications and passwords for each employee that are kept confidential, and passwords be periodically changed to prevent unauthorized access to district computer systems and data.

Status

Implemented

User access rights to the attendance system have been limited and unique user identifications and passwords are being kept confidential. The district has established a new written policy requiring employees to change passwords twice a year.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

8.2 School Board
Procedures and Minutes
- Minutes

The School Board did not always comply with the Sunshine Law, and minutes were not always complete, accurate, or maintained. Open meeting minutes also did not record a roll call vote of the Board to enter into closed sessions.

Recommendation

The School Board ensure minutes provide a complete and accurate record of all important discussion and decisions made by the Board and record the Board's compliance with the Sunshine Law.

Status

Implemented

Meeting minutes for open and closed sessions held from May through July, 2014, provided a complete and accurate record of all important discussion and decisions made by the Board, and the open meeting minutes recorded a roll call vote of the Board to enter into closed sessions.

9. Capital Assets and Fuel
Usage

Controls and procedures over district property and fuel usage needed improvement.

9.1 Capital assets

District officials had not properly maintained a detailed record of the property owned by the district and had not performed inventories of district capital assets held outside of classrooms at each school. The capital asset listings did not include some equipment, and the listings maintained did not include all necessary information such as the value of assets, or date and method of disposal. In addition, the district had not tagged or otherwise identified all property items as belonging to the district.

Recommendation

The School Board ensure complete and detailed capital asset records are maintained, annual physical inventories are conducted and compared to capital asset records, and property control tags are affixed to all property.

Status

Implemented

The district provided us a complete and detailed capital asset record last updated in September 2014. A new written policy established for the 2014-2015 school year requires annual inventories at the end of each school year and tagging property with a cost of more than \$250 when purchased.

9.2 Vehicle and fuel use

Fuel and mileage logs were not maintained for the district's 3 vehicles and 8 pieces of equipment and a reconciliation of fuel purchased to usage was not performed.

Recommendation

The School Board ensure a documented periodic reconciliation of fuel purchased to fuel used is performed, and investigate any significant discrepancies. In addition, the Board should ensure mileage logs are maintained for all district vehicles and equipment.



Ash Grove R-IV School District
Follow-up Report on Prior Audit Findings
Status of Findings

Status

In Progress

Mileage logs are now maintained for the district's 3 vehicles, but not for the district's equipment. The Secretary to the School Board reviews the vehicle logs and fuel bills monthly and calculates fuel used and purchased per vehicle, but does not document her calculation of miles per gallon for each vehicle. The Secretary to the School Board indicated she would document this information in the future. The Superintendent indicated beginning in January 2015, the district will implement fuel logs for district equipment, and usage logs will be reconciled to fuel purchases by the Secretary to the School Board.