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CITIZENS SUMMARY

Findings in the audit of Hazelwood School District

Cash Handling and Accounting Controls and Procedures	Significant improvements are needed in the district's cash handling internal controls and procedures. The district has a finance handbook that addresses cash receipting and depositing procedures. However, the guidance is limited and does not address some important procedures. The district has not or is unable to adequately segregate duties, and documented supervisory or independent reviews of the accounting records are not performed. Significant weaknesses exist in receipting, transmitting, and depositing monies received at some schools. The district does not have a list of approved change funds and the authorized balances or a written policy regarding change funds.
Central High School	Some monies received were not deposited and are missing, some district personnel did not follow Board policy regarding the theft, and the Board did not pursue resolution for the full amount missing. District personnel identified deposits with discrepancies made between August 2015 and October 2016. Improvements are needed in the handling of concession sales and inventory, and popcorn and summer snack sales, and there were unaccounted for differences between sales and amounts deposited.
Attendance Data and Procedures	The district improperly reported attendance resulting in receiving overpayments in state funding of approximately \$95,000. Student attendance is not always calculated accurately and, as a result, the district claimed student attendance hours when students were not present and received excess state monies. The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate.
Sunshine Law	The district did not always comply with the Sunshine Law and was not always consistent or transparent when notifying the public of board meetings. The public record request log documenting compliance with Sunshine Law requests was not complete. The Board discussed some topics in closed meetings that are not allowable by state law. The Board posted agendas for some "special Board retreat meetings" differently from other meetings and these meetings were not held on set dates or at set locations that would allow the public to otherwise be aware of the meetings.
Disbursements	District controls and procedures over disbursements need improvement. The district made disbursements that did not seem reasonable and/or provide a benefit to the school district. Disbursements were miscoded, invoices lacked proper approval, sales tax was paid on several purchases, and one employee's reimbursement was not accurate.
District Policies and Procedures	Various district policies and procedures need improvement. The district and school offices do not have security controls in place to lock computers after a certain period of inactivity. The district does not have controls and procedures in place to ensure salary schedules are accurate. The district did not solicit bids or proposals for several purchases of goods and services during the 2016-2017 school year.

Capital Assets and Fuel Usage	Controls and procedures over district property and fuel usage need improvement. The district does not always follow its policies and procedures for all capital assets. The district does not reconcile fuel logs to fuel billings.
Chromebook Laptop Computers	The district did not perform a comprehensive cost study for the 2015 Chromebook computer project and the purchase was not properly bid.
Vehicle Allowances	The district has not documented the basis for vehicle allowances, the allowance amounts, and the Associate Superintendent's mileage reimbursement.
Internal Audit Function	The district lacks an internal audit function that could have helped discover and/or resolve the weaknesses addressed in this report and noted by the district's financial auditors.
Board Oversight of District Resources	The Board did not always ensure the efficient use of district resources while the district faced a reduced fund balance.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.