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CITIZENS SUMMARY

Findings in the audit of De Soto School District #73

District Compensation	District employees received stipends not included on Board of Education approved salary schedules. December 2017 professional development stipends may be unreasonable and some were unsupported. Some manual calculations to determine compensation were not reviewed for accuracy resulting in overpayments. Hours recorded in the district time clock system for classified employees are not always used to support their compensation and overtime hours are not always recorded in the time clock system to support overtime payments. The district has no documented basis for the Superintendent's \$500 monthly vehicle allowance and did not report the extra compensation on his W-2 form. The district does not calculate and report the value of personal (commuting) mileage on employee W-2 forms as a fringe benefit.
Personnel Procedures, Records, and Policies	Several of the district's personnel procedures are not performed in accordance with Board policy. Accumulated compensatory time balances are not adequately tracked. The district does not always document how teacher absences are filled.
Cash Handling and Accounting Controls and Procedures	Weaknesses exist in receipting, transmitting, and depositing monies received at some schools. Accounting controls for district athletic events and concession sales need improvement.
Procurement Procedures, Contracts, and Disbursements	The district did not maintain documentation supporting some procurement decisions and did not always retain quotes received. The district has not periodically solicited proposals for legal services or formally evaluated those services. The district does not always monitor contracts effectively or enter into written contracts when appropriate. Disbursement documentation was not adequately detailed and mileage reimbursements were not always submitted timely. The district did not prepare 1099-MISC forms for payments to its law firm or 3 medical service vendors.
Budgets	The Board did not amend the district's budget prior to or when actual disbursements exceeded budgeted amounts.
Closed Meeting Minutes	The Board did not document its discussion of all topics listed as reasons for going into closed session.
Vineland Elementary Booster Organization	The Vineland Elementary Booster Organization (VBO) maintained funds in a bank account outside the district's control. The VBO did not consistently document meeting minutes and the meeting minutes were incomplete.
Homebound Attendance	The district incorrectly reported the attendance of homebound students for the 2017-2018 school year. In addition, records maintained to document homebound instruction provided were not sufficient.
Emergency Drills	The district did not have sufficient documentation to demonstrate that all required emergency drills were performed in accordance with policy.
Capital Assets and Fuel Use	The district did not record all capital asset purchases. The district did not reconcile fuel logs to fuel billings during the 2017-2018 school year.

Cafeteria Meals Charges	The district has not updated Board policy to agree with current procedures and did not always monitor collection activity on student cafeteria meal charges.
Subsequent Event	In April 2019, subsequent to our exit conference, the district was notified of irregularities in the handling of student meal monies at one school. A vendor employee opened envelopes that contained student meal monies, recorded the receipts in the accounting system, and prepared the deposit without a sufficient supervisory review.

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.