

Responding to the Audit

For A-133 Federal audits, the district's response to audit recommendations must be included in the report itself. For regular audits and reviews, trustees may request to include the response in the audit report or must respond after the report is issued.

Upon receipt of the school district's audit report, the trustees should review it and decide how to correct audit findings and implement the auditor's recommendations. Within 30 days of receiving the audit, the trustees must send a letter of response to the Department of Administration (2-7-515, MCA) and OPI. If the response was included in the audit report, no further written response is necessary.

The audit response letter must:

- Be included in the audit report OR be written on school letterhead and sent to the Department of Administration and OPI within 30 days after receiving the audit. [NOTE: See addresses below.]
- Be signed by the Board Chairman (preferred) or the Clerk/Business Manager and District Superintendent.

The response should be a detailed plan to correct the finding, answering the questions: Who, What, When, Where, Why, and How?

If you need assistance with audits or audit responses, please contact: Steve Hamel, (406) 444-0783 or shamel@mt.gov.

Following is a sample audit finding and response:

Sample School District
123 School Lane
Anytown, MT 59000

Date X, 200X

Department of Administration
Local Government Services
P.O. Box 200547
Helena, MT 59620-2501

Dear Sir or Madam:

The following is a corrective action plan addressing each finding included in the Sample School District's auditor's report for the fiscal year ended June 30, 200X:

([Sample finding](#))

02-1 Extracurricular Receipting

Condition:

The district does not issue extracurricular receipts in numerical order. Deposits are not made in a timely manner.

Criteria:

The district should follow the "Guideline to Student Activity Fund Accounting," which is the Office of Public Instruction's required procedure manual for extracurricular fund accounting, according to 20-9-504, MCA. Receipts should be used in numerical order, which assures that all receipts issued are accounted for and deposited timely.

Recommendation:

The district should adopt procedures listed in the "Guideline to Student Activity Fund Accounting." Sequentially numbered receipt books should be assigned to individuals who handle extracurricular cash, or the cash should be receipted through the district's regular receipting procedures to ensure that internal controls are properly maintained.

(Sample response)

Response:

The district has obtained a copy of the "Guideline to Student Activity Fund Accounting." The Board has reviewed the manual and plans to adopt it as district policy and procedures at the March 25 board meeting. The Business Manager will issue sequentially numbered receipt books to activities staff. When the activities staff member receives cash, he will issue a pre-numbered receipt. When a staff member submits cash for deposit, the secretary will issue a receipt. The secretary will verify the amount matches the receipt, verify the numerical order of the receipt, and present a signed copy of the receipt to the staff member. The receipt will be stored in the school's safe until deposit, which will be done within 3 days of the receipt. To ensure all activities staff members are aware of the process, the Business Manager will write a step-by-step list of procedures to be reviewed at each building staff meeting at the beginning of each year.

If you have questions concerning this response, please contact: Joe Business Manager, (406) 123-4567.

Sincerely,

Karen Andrews
Board Chairman

Send a copy to: Steve Hamel, Fiscal Officer
Office of Public Instruction
PO Box 202501
Helena, MT 59620-2501