

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**Snohomish School District No. 201**  
**Snohomish County**

Report Date  
**April 26, 2013**

**Report No. 1009742**

Issue Date  
**May 20, 2013**



WASHINGTON  
**TROY KELLEY**  
STATE AUDITOR



**Washington State Auditor  
Troy Kelley**

May 20, 2013

Board of Directors  
Snohomish School District No. 201  
Snohomish, Washington

***Report on Accountability***

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Snohomish School District No. 201's accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

**TROY KELLEY**  
STATE AUDITOR

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Snohomish County  
April 26, 2013**

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# Audit Summary

**Snohomish School District No. 201  
Snohomish County  
April 26, 2013**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of Snohomish School District No. 201 from September 1, 2011 through August 31, 2012.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Maintenance Department
- Safeguarding of small and attractive assets
- Teacher education and experience (staff mix) reporting
- Cash receipting
- Debt/covenants
- Financial condition
- Capital Project Fund expenditures
- Payroll system review

## ***RESULTS***

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

## **Related Reports**

**Snohomish School District No. 201  
Snohomish County  
April 26, 2013**

### ***FINANCIAL***

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

### ***FEDERAL GRANT PROGRAMS***

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

# Description of the District

## Snohomish School District No. 201 Snohomish County April 26, 2013

### ***ABOUT THE DISTRICT***

Snohomish School District No. 201 provides public school services to approximately 9,800 students in kindergarten through 12th grade. The District's service area covers 165 square miles including the city of Snohomish and neighboring unincorporated portions of Snohomish County. The District operates two high schools, an alternative high school and a parent partnership program for home school students, two middle schools and 10 elementary schools.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent to oversee the District's daily operations as well as its 604 certified and 478 classified employees. For the 2011-2012 school year, the District had expenditures of \$254,181,823.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Directors:

Jay Hagen  
Leah Hughes-Anderson  
David Johnston  
Josh Seek  
Shaunna Ballas

### ***APPOINTED OFFICIALS***

Superintendent  
Executive Director of Business Services

Dr. William Mester  
Tom Laufmann

### ***DISTRICT CONTACT INFORMATION***

Address: Snohomish School District No. 201  
1601 Avenue D  
Snohomish, WA 98290

Phone: (360) 563-7300

Website: [www.sno.wednet.edu](http://www.sno.wednet.edu)

## **AUDIT HISTORY**

We audit the District annually. We issued findings in fiscal years 2007, 2008 and 2009 related to transportation reporting and another finding in fiscal year 2011 related to enrollment reporting for an Alternative Learning Experience program. The 2007, 2008 and 2009 findings have all been resolved. The fiscal year 2011 finding is unresolved; however, the District is currently working with the Office of the Superintendent of Public Instruction's Audit Resolution Office regarding potential recovery of state funding.

# **Status of Prior Audit Findings**

## **Snohomish School District No. 201 Snohomish County April 26, 2013**

The status of findings contained in the prior years' audit reports of Snohomish School District No. 201 is provided below:

- 1. The District lacked adequate controls over enrollment reporting in its APEX Online Alternative Learning Experience (ALE) Program at AIM High School.**

Report No. 1007702, dated May 21, 2012

### **Background**

The Office of Superintendent of Public Instruction (OSPI) establishes the rules and provides instructions on alternative learning experience enrollment reporting for state funding.

District management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of documentation supporting enrollment reporting in ALE. Our audit identified significant deficiency in controls that adversely affect the District's ability to follow its own policies and procedures, state law, state administrative code and OSPI guidance to produce reliable support for ALE reported for apportionment funding.

### **Status**

The District has communicated with the OSPI's Audit Resolution Office regarding potential recovery of up to \$115,393 of state funding. The audit finding is unresolved.





## **ABOUT THE STATE AUDITOR'S OFFICE**

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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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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**Deputy Director of State and Local Audit**  
**Deputy Director of Quality Assurance**  
**Local Government Liaison**  
**Public Records Officer**  
**Main number**  
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