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**LFUFSD CORRECTIVE ACTION PLAN (CAP) FOR
FISCAL YEAR AUDIT ENDING JUNE 30, 2023**

Board Approved on December 18, 2023

Status of Prior Year's Comments

1. Uniform Guidance – Federal Grants Compliance

Management Letter Comment:

Current Status: In progress. The District has not finalized the Business Office Procedural Manual yet as the District's Business Office is still undergoing staffing changes.

We recommend that the District finalize the Procedural Manual for Board review and approval once the personnel and procedural changes are completed.

District CAP Response:

Policy 5413 was adopted by the Board in November 2021 to bring such policy into current compliance. The business procedural manual will be ready for Board adoption shortly.

Responsible Party/ies: Superintendent, School Business Assistant

Anticipated completion date: March 31, 2024

2. Computer User Permissions

Management Letter Comment:

Current Status: We reviewed the nVision user permission reports during the current year's audit and noted similar findings. The District's office has undergone staff changes, and is in the process of revising employees'

roles.

We recommend that the District continue to review user permissions within nVision to ensure the access rights are compatible with the users' job responsibilities once employees' roles are finalized.

District CAP Response:

An additional review of permissions had led to the change of access rights to several accounts, from editing rights to "view only" rights. Additionally, for any overlap identified as a potential conflict, we are working with our accountants to incorporate additional procedures to mitigate risk given we will continue to have potential conflicting access given the resources of the business office staff and capacity needed.

Responsible Party/ies: Superintendent, School Business Assistant

Anticipated completion date: March 31, 2024

Current Year's Comment

1. Bank Reconciliations – Timely Review and Approval

Management Letter Comment:

At the end of each month, bank accounts are reconciled to ensure that transactions have been properly recorded on the District's books. A good internal control system is one that includes the bank reconciliations being reviewed and approved by management.

During our audit, in the sample of bank reconciliations we tested, we noted that bank reconciliations were reviewed and approved by a supervisor; however, the date of the review and approval should also be indicated to substantiate that the review was done in a timely manner.

We recommend that the review and approval of monthly bank reconciliations include the date of performance.

District CAP Response:

The District acknowledges the findings and recommendations. Correction has been implemented immediately to include dates with all reviewer signatures on reconciliations.

Responsible Party/ies: Superintendent, School Business Assistant

Anticipated completion date: December 31, 2023

2. Special Aid Fund – Expenditures testing

Management Letter Comment:

The District must have adequate internal controls over the expenditures of federal grant awards.

During our audit, in the sample of cash disbursements and payroll expenditures tested, we noted multiple findings. In the cash disbursement testing, one selection was missing a receiving signature and the grant administrator's approval signature. In the payroll testing, we noted six selections that did not have time-and-effort supporting documentation (i.e., personnel activity forms); in addition, although their pay rates were indicated on the grant budget form, we did not see evidence that the pay rates were approved by the Board of Education.

We recommend that the District review its procedures for grant-related expenditures to ensure the proper authorization and documentation are obtained and maintained.

District CAP Response:

The District acknowledges the findings and recommendations. Correction has been implemented immediately to modify forms to reflect federal funds sourcing and attestations for any additional earnings from federal funds sourcing, in addition to maintenance of PAR forms as appropriate. Additionally, pay rates for federal grants will be approved by the Board at its next regular meeting.

Responsible Party/ies: Superintendent, School Business Assistant

Anticipated completion date: December 31, 2023