

Owens-Whitney Elementary School District

District did not comply with State laws and USFR requirements in multiple areas, resulting in 2 employees participating in possible substantial interest conflicts, a negative general fund balance at the end of fiscal years 2020 and 2021, and increased risk for loss or misuse of public monies

Audit purpose

To assess the District's efficiency and effectiveness in 4 operational areas—administration, plant operations and maintenance, food service, and transportation—and its compliance with certain State requirements.

Key findings

- District did not act in accordance with the State's open meeting laws when it accepted a \$30,000 contribution from a local mining company outside of a meeting open to the public.
- District did not act in accordance with the State's conflict-of-interest laws when the District administrator drafted and revised service proposals and a District employee approved a contract proposal that may have represented substantial interests to themselves.
- District did not act in accordance with intergovernmental agreement (IGA) laws when it entered into the service proposals rather than statutorily required IGAs.
- District had not established a cash receipts process and used debit cards contrary to the USFR prohibition.
- District did not comply with USFR budgeting and revenue monitoring requirements, resulting in a negative fund balance and purchases the District could not pay for.

Key recommendations

The District should:

- Strengthen existing policies and develop and implement written policies and procedures to ensure it complies with State laws governing open meetings, conflicts of interest, and IGAs.
- Develop and provide periodic employee training regarding open meeting, conflict-of-interest, and IGA requirements to ensure employees are aware of these requirements and how to comply with them.
- Establish a written cash-receipting process and discontinue using bank account debit cards as a payment method to comply with the USFR.
- Comply with USFR requirements and good business practices related to budgeting, revenue amounts, and purchasing to ensure it has enough cash to meet its financial obligations.