



Office of the Washington State Auditor  
Pat McCarthy

## Accountability Audit Report

# Bethel School District No. 403

For the period September 1, 2019 through August 31, 2020

*Published May 27, 2021*

Report No. 1028371



Find out what's new at SAO  
by scanning this code with  
your smartphone's camera



**Office of the Washington State Auditor  
Pat McCarthy**

May 27, 2021

Board of Directors  
Bethel School District No. 403  
Spanaway, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

## TABLE OF CONTENTS

Audit Results.....	4
Related Reports.....	6
Information about the District.....	7
About the State Auditor's Office.....	8

## AUDIT RESULTS

### Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

### About the audit

This report contains the results of our independent accountability audit of Bethel School District No. 403 from September 1, 2019 through August 31, 2020.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended August 31, 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Associated Student Body activities – cash receipting, gate receipts, fundraising, student store, and support for expenditures at Spanaway Lake High School and Graham Kapowsin High School.
- Enrollment – student enrollment reporting
- Procurement – public works, purchases, professional services
- Professional learning – use of state allocation in accordance with program requirements
- Sub fund – compliance with enrichment levy plan approval
- Accounts payable – credit cards

- Self-insurance – unemployment and workers compensation
- Third-party receipting – cash receipting and timeliness of deposits

## RELATED REPORTS

### **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. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **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 Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report.

## INFORMATION ABOUT THE DISTRICT

Bethel School District No. 403 is the state's 15th largest district by headcount, serving approximately 19,662 students in the Spanaway, Graham and Roy communities of southern Pierce County. It operates 16 elementary schools, one K-8 school (Elk Plain School of Choice), six middle schools, three high schools, and three Alternative Learning Experience programs (Challenger High School, Acceleration Academy and Bethel Elementary Learning Academy). The District is also the fiscal agent for the Pierce County Skills Center (PCSC) which is a regional program of ten school districts to provide career and technical education courses.

An elected, five-member Board of Directors governs the District. Board Members serve staggered, four-year terms. The Board appoints the Superintendent to oversee the District's daily operations as well as its approximately 3,200 employees. For school year 2019-2020, the District operated on a budget of \$316 million.

### Contact information related to this report

Address:	Bethel School District No. 403 516 E. 176th Spanaway, WA 98387
Contact:	Joanne Klein, Assistant Director of Finance
Telephone:	(253) 800-2213
Website:	<a href="http://www.bethelsd.org">www.bethelsd.org</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Bethel School District No. 403 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

### Other ways to stay in touch

- Main telephone:  
(564) 999-0950
- Toll-free Citizen Hotline:  
(866) 902-3900
- Email:  
[webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov)