Accountability Audit Report

Bethel School District No. 403

For the period September 1, 2017 through August 31, 2018

Published June 11, 2019
Report No. 1024022
June 11, 2019

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 State Auditor’s Office 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.

The attached comprises 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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA
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AUDIT RESULTS

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

Additionally, as noted under the Related Reports – Special Investigations section of this report, certain matters were examined and reported as part of a separate engagement.

About the audit

This report contains the results of our independent accountability audit of Bethel School District No. 403 from September 1, 2017 through August 31, 2018.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District’s uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended August 31, 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Associated Student Body activities at Graham Kapowsin and Bethel High School – fundraisers, gate receipts and cash receipting.
- Small and attractive asset tracking
- Procurement – public works, purchases, and professional services
- Self-insurance for unemployment compensation
- General cash receipting for the District – ensuring timeliness and completeness of deposits.
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 program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report.

Special investigations

During the current audit period, the State Auditor’s Office issued a report on a misappropriation of public funds at the District. That report is available on our website, http://portal.sao.wa.gov/ReportSearch.
INFORMATION ABOUT THE DISTRICT

Bethel School District No. 403 is the state’s 15th largest district by headcount, serving approximately 19,000 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, three Alternative Learning Experience programs (Challenger High School, Acceleration Academy and Bethel Elementary Learning Academy), and the Pierce County Skills Center.

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 2,800 employees. For fiscal year 2018, the District operated on a budget of $260,600,000.

Contact information related to this report

| Address:       | Bethel School District No. 403 |
|               | 516 E. 176th                   |
|               | Spanaway, WA  98387            |
| Contact:      | Wendy Howard, Director, Accounting & Purchasing |
| Telephone:    | 253-683-6063                   |
| Website:      | www.bethelsd.org               |

Information current as of report publish date.

Audit history

ABOUT THE STATE AUDITOR’S OFFICE

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as fraud, state whistleblower and citizen hotline investigations.

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

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

Contact information for the State Auditor’s Office

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<th><a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a></th>
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<tr>
<td>Toll-free Citizen Hotline</td>
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