

South Valley Prep - Corrective Action Plan (CAP) for FY2024 Audit

Proposed Plan Due: May 9, 2025

Finding Number	Finding Description	Action Steps	Evidence to be Submitted	Due Date
2024-001	During our testwork over capital assets we noted that the bulk purchase threshold was not identified by management. We also noted that sufficient, appropriate documentation could not be provided for \$67,500 of capital asset additions, therefore the accuracy and completeness of the capital asset balances could not be substantiated. (Material Weakness)	<ul style="list-style-type: none"> -New business management services, The Vigil Group, began 1/1/2025. -Mini Grant of \$10,000 awarded to the school by the PEC is being used for the following: The Vigil Group contracted to review and clean up Q1 and Q2. Mary Scofield contracted to work on 6/30/2024 statement. The school's former business manager, Alfred Martinez, has joined the finance committee to provide financial expertise. Financial policies reviewed, revised, and adopted by governing council on 2/26/2025. Training for governing council by The Vigil Group (Completed 4.28.2025) Business Manager will develop procedure where payment packets for fixed assets over \$5,000 are available upon request (e.g., digitized documents including quotes, invoice, PO, etc.). Business Manager will ensure assets that need to be capitalized are documented on the inventory tracking software (currently WASP Bar Code Technologies). Assets that are non-capitalized will be tagged. 	Business Manager	Immediate / On-Going
2024-002	The June 2024 bank reconciliation varied from the general ledger by \$1,023 and we noted outstanding ACH's of \$11,005 as of June 30, 2024 that did not clear in July 2024, and therefore appeared to be improperly included as outstanding checks at year end. (Significant Deficiency)	Business Manager will prepare and present general ledger reconciliation reports to the finance committee on a monthly basis.	Business Manager Finance Committee	Monthly
2024-004	During our testwork over financial statement balances as of June 30, 2024 we noted the following: <ul style="list-style-type: none"> -Accounts Receivable – We noted property tax receivable of \$5,605 was improperly excluded from the receivables listing -Prepaid Expenses – Insufficient information was provided in order to test prepaid expenses. 	Business Manager will work with consultant (e.g., Mary Scofield, CPA) assigned to conduct part of the internal audit and recreation of the 6/30/2024 statement along with the Business Manager focused on reviewing and addressing concerns from 7/1/2024	Business Manager	Immediate

2024-004	-Accrued Payroll – Insufficient information was provided in order to test accrued payroll balances	onward. The review summary of findings to improve internal controls that mitigate deficiencies in: (a) Accounts Receivable, (b) Prepaid Expenses, (c) Accrued Payroll, and (d) Fund Balance. Specific steps include-	Head Administrator	/ On-Going
	-Fund Balance – We noted adjustment from the 2023 audit were required to be made to properly roll fund balances as of July 1, 2023.			
	(Material Weakness)			
2024-005	During testwork performed we noted the following:	Business Manager will work with consultant (e.g., Mary Scofield, CPA) assigned to conduct part of the internal audit and recreation of the 6/30/2024 statement along with the Business Manager focused on reviewing and addressing concerns from 7/1/2024 onward. The review summary of findings to improve internal controls that mitigate deficiencies in: (a) IT controls, (b) meal count sheet retention, (c) adherence to GASB 96 and 87, and (d) staff compensated absences.	Business Manager Head Administrator or Governing Council	Immediate / On-Going
	-Information technology controls were not provided			
	-We could not obtain support for manual journal entries made in fiscal year 2024			
	-Count sheets for the August 2023 USDA meal claim could not be obtained and therefore the claim could not be substantiated			
	-We could not obtain sufficient, appropriate documentation for GASB 96 balances.			
	-Compensated Absences – We could not obtain support for compensated absences			
	-We could not obtain sufficient, appropriate documentation for GASB 87 balances			
	(Material Weakness)			
2024-006	During our audit, we noted the follow issues related to budgeting and reporting:	Mary Scofield, CPA) assigned to conduct part of the internal audit and recreation of the 6/30/2024 statement along with the Business Manager focused on reviewing and addressing concerns from 7/1/2024 onward. The review summary of findings to improve internal controls that mitigate deficiencies in: (a) budgetary authority for funds are not exceeded and (b) revenue and expenses errors in OBMS do not	Business Manager	Immediate / On-Going
	The following funds exceeded the budgetary authority:			
	-Fund 13000:2000 Support Services \$8,975			
	-Fund 21000:3000 Noninstructional \$54,987			
2024-007	22 instances of reporting errors of revenues and expenses in OBMS.	Business Manager will dedicate additional time in late spring to prepare for audit.	Business Manager	Immediate / On-Going
	(Significant Deficiency)			
2024-007	Audit requests were submitted between 60-120 days overdue including key requests necessary to prepare the financial statements. Not all required information requested for the audit was submitted within the available timeframe. (Material Noncompliance)			
2024-008	We were not provided support for journal entries totaling \$66,070. (Material Weakness)	Business Manager will retain backup documentation for journal entries and upload into finance system.	Business Manager	Immediate / On-Going
2024-009	The school did not have a CPO between October 2023 and March 2024. (Other Noncompliance)	The school has now a CPO in place and will have a second staff to be certified so this problem won't occur in the future.	Business Manager Head Administrator	Immediate / On-Going