

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

**Revised CAP Submitted May 12, 2025**

<b>FY24 Audit Finding</b>	<b>Finding Description</b>	<b>Action Steps</b>	<b>Documents Submitted in Epicenter</b>	<b>Due Date</b>
2024-001, Controls over Capital Assets, Repeat, 2023-001, <b>Material Weakness</b>	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.	-New business management services, The Vigil Group, began 1/1/2025. - 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.	A bulk purchase policy will be implemented in June 2025. All invoices pertaining to capital assets will be saved together for ease of access for the audit.	1/1/2025  2/1/2025 2/1/2025 2/1/2025 1/1/2025 2/26/2025 4/28/2025
2024-002, Bank Reconciliations, <b>Significant Deficiency</b>	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.	Business Manager will prepare and present general ledger reconciliation reports to the finance committee on a monthly basis.	Business Manager will prepare and present general ledger reconciliation reports to the finance committee on a monthly basis.	1/22/2025, 2/19/2025, 3/26/2025, 4/23/2025, 5/28/2025, and 6/25/2025
2024-003, Internal Controls over Compliance Matters, <b>Material Weakness</b>				
2024-004, Financial Close and Reporting, <b>Material Weakness</b>	During our testwork over financial statement balances as of June 30, 2024 we noted the following:  -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.  -Accrued Payroll – Insufficient information was provided in order to test accrued payroll balances  -Fund Balance – We noted adjustment from the 2023 audit were required to be made to properly roll fund balances as of July 1, 2023.	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) Accounts Receivable, (b) Prepaid Expenses, (c) Accrued Payroll, and (d) Fund Balance. Specific steps include-	All required audit reports/forms/documentation will be provided to the auditor in a timely manner for FY2025.	4/15/2025
2024-005, Internal Control Structure, <b>Material Weakness</b>	During testwork performed we noted the following:  -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	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.	All required audit reports/forms/documentation will be provided to the auditor in a timely manner for FY2025.	4/15/2025

2024-006, Budgetary Compliance, <b>Significant Deficiency</b>	<p>During our audit, we noted the follow issues related to budgeting and reporting:</p> <p>The following funds exceeded the budgetary authority:</p> <ul style="list-style-type: none"> <li>- Fund 13000:2000 Support Services \$8,975</li> <li>- Fund 21000:3000 Noninstructional \$54,987</li> <li>- 22 instances of reporting errors of revenues and expenses in OBMS.</li> </ul>	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) budgetary authority for funds are not exceeded and (b) revenue and expenses errors in OBMS do not occur.	Budget Adjustment Requests will be don't on a quartly basis at minimum. A second review will be done on all trasnactions posting to the GL.	4/15/2025
2024-007, Audit Untimeliness, <b>Material Noncompliance</b>	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.	Business Manager will dedicate additional time in late spring to prepare for audit.	All required audit reports/forms/documentation will be provided to the auditor in a timely manner for FY2025.	6/30/2025
2024-008, Internal Controls over Jounral Entries, <b>Material Weakness</b>	We were not provided support for journal entries totaling \$66,070.	Business Manager will retain backup documentation for journal entries and upload into finance system.	Since The Vigil Group has taken over Business Management services, journal entry back up is done and saved in a file.	6/30/2025
2024-009, Internal Controls over Procurement, <b>Other Noncompliance</b>	The school did not have a CPO between October 2023 and March 2024.	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.	CPO is licensed and in place.	2/30/2025