



**Red River Valley Charter School**

**Katie Rarick**

**Audit Review**

## **FY23 Findings**

- Voids/COA/Fund Coding/Leases – Fixed
- Capital Assets – Fixed
- Pledged Collateral– Fixed
- Employee Contracts – Fixed



# FY24 Findings

	FY24 Findings	Cause	Next Steps	Was this fixed in FY25?
Number of Repeat Finding Categories for the school and foundation	1			
2024-001 Financial Close and Reporting (Previously 2022-001) (Material Weakness)	<p>Condition/Context: During our audit, we noted the following deficiencies in internal controls related to financial close and reporting.</p> <p>The June 2024 bank reconciliation prepared for Hilcrest and Nusenda differed from the general ledger by \$20,702 and (\$21,458), respectively. Thus, the total combined cash varied by \$756 between the June 2024 bank reconciliations and the general ledger.</p> <p>Charges for the copier were noted coded as rental of equipment of \$1,973. County collection costs related to property tax collections, were netted with revenue by the school while they should have been recorded to the 2300 function.</p> <p>Expenses in fund 31700 exceed revenue by \$245, which resulted in reclassified expenses to the operational fund.</p> <p>Capital asset additions of \$9,212 were improperly listed as building improvements, while they represented leasehold improvements.</p> <p>Supply chain assistance of \$7,189 was recorded to fund 21100, instead of fund 21000.</p>	Lack of sufficient internal controls and procedures over financial close and reporting.	<p>21100 is now an established fund and we understand what should and shouldn't be booked there.</p> <p>We have doubled the size of our accounting team and have additional checks in place, including all funds being listed on the bank rec.</p> <p>We will also have all RfRs complete by the end of April to avoid any discrepancies.</p> <p>Also, we will provide a report each month to the board to show budget authority.</p> <p>We have discussed the capital assets discrepancy with the auditor to better understand their opinion here.</p>	Yes, we believe with the extra checks in place these have all been fixed.



# FY24 Findings

	FY24 Findings	Cause	Next Steps	Was this fixed in FY25?
2024-002 Internal Controls over Journal Entries (Significant Deficiency)	<p><b>Condition/Context:</b> During our test work over journal entries we noted the following:</p> <p>We note various journal entries recorded that did not balance by fund, as the accounting system is designed to allow entries that do not balance by fund. We noted significant adjustments at year end to properly state cash, due to this matter.</p>	<p><b>Cause:</b> Management oversight</p>	<p>All JEs in the system do balance. We have updated the software to balance all JEs by fund also.</p>	<p>Yes, we believe with the extra checks in place these have all been fixed.</p>



# FY24 Findings

	FY24 Findings	Cause	Next Steps	Was this fixed in FY25?
2024-003 Per Diem and Mileage Act (Other Noncompliance)	Condition/Context: During our testing over travel reimbursements, we noted two instances in which mileage was paid at an incorrect rate, which resulted in overpayment of \$63.48.	Improper reimbursement rates used.  This was a common finding for schools in FY24.	The rate changed during the year which led to the confusion. We updated the travel form when the rate changed, but going forward we will keep the Jan 1 date regardless of what changes during the year.	Yes, this has been fixed and the current rate on our travel form is the one set as of January 1 <sup>st</sup> .





# Next Steps

## ➤ Accomplishments

- We reduced the number of findings from 4 to 3 in FY24.
- We have clear next steps on all of the audit findings and feel like we have already addressed most of them.