



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

July 25, 2023

Board of Directors  
Ellensburg School District No. 401  
Ellensburg, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our accountability audit of Ellensburg School District No. 401 from September 1, 2020 through August 31, 2022. We believe our recommendations will assist you in improving the District's compliance in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to District officials and personnel. If you have any further questions, please contact me at (509) 454-7849.

This letter is intended for the information and use of management and the governing body and is not suitable for any other purpose. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for their cooperation and assistance during the audit.

Sincerely,

Ann Strand, Program Manager

Attachment

Management Letter  
Ellensburg School District No. 401  
September 1, 2020 through August 31, 2022

**Monthly Financial Reporting and Board Approvals**

In fiscal year 2022, the District paid about \$39.3 million for general disbursements and \$39 million for payroll. RCW 42.24.080 and the *Accounting Manual for Public School Districts in the State of Washington* (Accounting Manual) require a school district's board of directors to accept and approve all claims for vendor payments and employee payroll. Further, District Policy 6030 states that a statement of financial condition and budget status will be submitted to the Board of Directors each month.

During our review of the Board's meeting minutes for fiscal year 2022, we found the Board:

- Did not receive a financial condition and budget status report for four months during 2021
- Did not formally approve about \$4.5 million of accounts payable expenditures during a meeting for two months
- Did not formally approve \$39 million of payroll expenditures during regular meetings for all of fiscal year 2022

We recommend that the District follow state law, the Accounting Manual and its own policy by:

- Providing the Board monthly financial reports to review and approve
- Ensuring the Board formally approves all expenditures during regular meetings