



Audit Compliance Supplement

Lacey Menello

Coordinator, Office of School Finance

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Overview

- **W.Va. Code §18-9B-1** et seq. defines the powers and duties of the State Board of School Finance
- Designed to identify important requirements that could have a material effect on LEA's financial operations and internal controls
- Audit procedures are in addition to state grant reporting requirements in **W.Va. Code §12-4-14**

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Financial Reporting

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Publication of Financial Statements

- **W.Va. Code §18-9-3a** requires:
 - BOE financials be prepared and published within 90 and 120 days, respectively, of subsequent fiscal year
 - A public hearing prior to publication
 - Public notice of availability circulating for 2 successive weeks
 - Financial Statements and additional information remain posted until the publication of the next annual statements
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Publication on the Board's Website

- The county board must have the following information with website publication:
 - The name of every person who has entered into a contract with the county board pursuant to the provisions of **W.Va. Code §18A-2-2, §18A-2-3, §18A-2-4, and §18A-2-5**, and amounts paid to each;
 - Budget estimates;
 - A list of the name of each firm, corporation, and person who received more than \$250 from any fund during such fiscal year showing the amount paid to each and the purpose for which paid
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Individual School Examinations

- **WVDE Policy 1224.1 & W.Va. Code §18-9B-13** requires:
 - LEA conduct annual examinations of individual schools within jurisdiction
 - Review the personnel credentials and procedures utilized
 - Ensure that the required examinations were conducted within the recommended timeline
 - Review the findings and recommendations for inclusion of any material deficiencies which may affect the financial statements
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TRIVIA

A group of dogs is called a what?

- A. School
- B. Flock
- C. Herd
- D. Pack



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Budgeting

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Public Hearing for Budget Inspection

- **W.Va. Code §18-5-4(c)** requires:
 - a public hearing be held at least 10 days after the preliminary budget is prepared
 - Obtain evidence that the County Board held a public hearing with the preliminary budget in the appropriate timeframe
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Submission and Approval of Budget

- **W.Va. Code §18-9B-6** requires:
 - County BOE submit a proposed budget and supporting schedules on or before the selected day on the budget calendar (May 30th) to the State Board of Education
 - County BOE may not adopt its budget until a written approval from the State Board of Education has been obtained and levy estimate has been approved
 - Obtain evidence that the proposed budget submission was made timely and review the Board Minutes to confirm written approval of the budget from the State Superintendent and the levy estimate approval from the State Auditor.
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Restrictions on County Boards

- **W.Va. Code §18-9B-10** requires:
 - Authorization of the expenditure of funds and incur obligations in accordance with the budget and the expenditure schedule
 - Transfers are made between items of appropriation with the prior written approval of the state board of education
 - Review the budget and revisions to ensure proper approvals were obtained
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TRIVIA

What breed of dog was the sheriff's dog Flash in *The Dukes of Hazzard*?

- A. Beagle
- B. Basset Hound
- C. Lab
- D. Bulldog



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Payments/Disbursements

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Purchasing Card Program

- **W.Va. Code §6-9-2a**
 - Inquire of whether the County Board is participating in the P-card program
 - Obtain copies of the policies and procedures and document accordingly
 - Select a sample to test for reasonableness and internal controls
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Unlawful Expenditures

- **W.Va. Code §11-8-26** requires local boards not:
 - Expend funds in unauthorized manner
 - For unauthorized purpose
 - In excess of fund allocation
 - In excess of funds available
 - Review expenditures vs revenues for a casual deficit (<3%)
-

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Itemized Statement of Claims

- **W.Va. Code §12-3-18** requires:
 - An itemized statement of account including goods/services purchased, date, vendor name, quantity, and delivery date if applicable
 - Select a sample of payments and compare to itemized statement
 - Verify vendor addresses
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Orders for Payment

- **W.Va. Code §12-3-19** prohibits:
 - The issuance of any general order for a payroll or any person to be disbursed
 - **W.Va. Code §18-9-3** requires:
 - The treasurer of the board of education shall pay money only upon the order of the board.
 - The order shall specify the amount to be paid, the purpose for which it is paid, and the fund to which it shall be charged.
 - **W.Va. Ethics Commission Advisory Opinion No. 2012-04** requires:
 - Approval of invoices/payment of bills must be included on the Board agenda and must require official action by the Board
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Mileage Reimbursements

- **W.Va. Code §18A-2-14** requires:
 - A county board must reimburse any school personnel for each mile traveled in a personal vehicle
 - Mileage reimbursement rates should be the lesser of, but not greater than, the federal standard mileage rate and the authorized rate from the travel management rule of the Department of Administration
 - Boards should have board approved local policy
 - Select a sample of travel reimbursements and review mileage rates for reasonableness
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Operation/Maintenance and Transportation Expenditures

- Operation & Maintenance:
 - Select a sample of expenditures charged to the Support Service O&M Plant function (WVEIS code X26XX), exclusive of special revenue fund expenditures.
 - Student Transportation:
 - Select a sample of expenditures charged to the student transportation function (WVEIS code X27XX).
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TRIVIA

In the last 100 years, who is the only US president not to have a dog while in the Oval Office?

- A. Joe Biden
- B. Jimmy Carter
- C. Donald Trump
- D. George H.W. Bush



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Contracts

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Competitive Bids for Construction Contracts

- **W.Va. Code §5-22-1** requires:
 - LEAs must solicit competitive bids for every construction project exceeding \$25,000 in total cost.
 - Vendors who have been debarred may not bid on or be awarded a contract under this section.
 - All bids submitted shall include a valid bid bond or other surety as approved by the State of West Virginia or its subdivisions.
 - Construction contract shall be awarded to the lowest, qualified bidder
- **W.Va. Code §5-22-4** allows the state or its subdivisions to establish a maximum budgeted amount for each construction project
 - Negotiations cannot result in more than 10% change in scope from original base bid

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No Contracts Awarded/Renewed with Debtors

- **W.Va. Code §5A-3-10a** requires:
 - That no contract or renewal may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when they or their related party is a debtor of more than \$1,000 in the aggregate or the debtor is in employer default.
 - Review a sample of new and renewed contracts to ensure that the vendor was not a debtor of greater than \$1,000
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Final Payments

Withholding of Final Payment

- **W.Va. Code §11-10-11(d)** requires:
 - Final payment of any contract must be withheld until the receipt of a certificate from the Tax Commissioner has been provided

Certificate of Final Payment

- **W.Va. Code §21A-2-6c(a)** requires:
 - Final settlement of any contract must be withheld until the receipt of a certificate from the commissioner of Employment Programs has been provided
 - Review a sample of contracts to ensure the final payment was not made until the LEA received the appropriate certificate from the Tax Commissioner & Unemployment Commissioner
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Energy-Savings Contracts

- **W.Va. Code §18-5-9a(c)** requires:
 - Before entering an energy-savings contract with a qualified provider, the provider must issue a proposal which includes scope of work, estimating costs, and estimated energy savings.
 - **W.Va. Code §18-5-9a(g)** requires:
 - Contract must not exceed a 15-year term and will be void unless the option to terminate the agreement each fiscal year exists
 - Inquire about energy-savings contracts and review to determine a proposal was provided and the agreements include a termination clause.
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TRIVIA

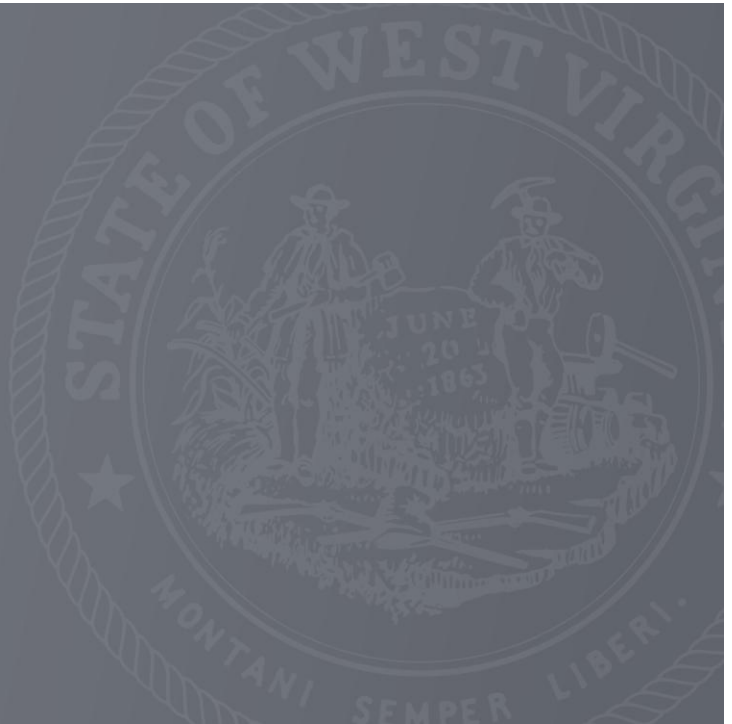
What breed of dog is
Scooby-Doo?

- A. Husky
 - B. Lab
 - C. Saint Bernard
 - D. Great Dane
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Levies



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Levy Process

- A public meeting(s) must be held between the 7th and 28th days of March for voting
 - The secretary of the board must forward a certified copy to the state auditor, WVDE, and publish the statement
 - Levy must be approved by the state auditor
 - Funds derived from the levying of taxes shall be expended only for the purposes for which they were raised
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Insurance & Bonding

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Flood Insurance

- **W.Va. Code §18-5-47** requires:
 - Each county board maintain flood insurance on all insurable buildings and its contents that are in a flood zone and/or have been damaged in a previous flood
 - Review copies of property insurance to confirm adequate coverage
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Bonding

- **W.Va. Code §18-9-6 & §6-2-10** requires:
 - County Treasurer, Superintendent be bonded
 - **W.Va. Code §6-2-12** requires:
 - Bonds be recorded at the county clerk's office
 - **W.Va. Code §18-9-6** requires:
 - Maximum deposited amounts be covered by bond
 - **WV Board Policy 8100 §1.11** requires:
 - Board President be bonded
 - Review respective faithful performances bonds for sufficiency and county records
 - Review bank balances for FDIC coverage
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TRIVIA

Who let the dogs out?

- A. Baha Men
- B. Snoop Dogg
- C. Ying Yang Twins
- D. Bob Marley



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Bond Issuances

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Bond Issuances

- **W.Va. Code §13-1-3** requires:
 - No county board shall become indebted, in any manner, of an aggregate exceeding 5% of the value of taxable property
- **W.Va. Code §18-9-2c** requires:
 - County treasurers are authorized and encouraged to transfer all remaining funds collected for retirement of school bonds after the bonds have retired
- Review the bond indebtedness to ensure it does not exceed 5% of taxable property
- If applicable, review bonds that retired during the fiscal year and ensure all remaining funds were transferred to the general fund

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Board Members & Meetings

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Board Meetings

- **W.Va. Code §6-9A-3** requires:
 - All meetings of any governing body be open to the public
 - Each governing body shall have rules to ensure all regular and special meeting details such as time, date, purpose are made available in advance to the public
- **W.Va. Code §6-9A-5** requires:
 - Each governing body shall provide written minutes of all meetings
 - Minutes must include:
 - Date, time, and place of meeting
 - Name of each board member present
 - All motions, proposals, resolutions, orders, ordinances, and name of person proposing
 - Results of all votes, including of each member

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Board Members

- **W.Va. Code §18-5-4(e)** requires:
 - Board members may receive compensation at a rate no larger than \$260 per meeting attended with a maximum number of meetings being 40, plus 5 special meetings and up to 2 trainings in any one fiscal year
 - Board members of a multicounty vocational center also may receive compensation of up to 12 meetings
- **W.Va. Code §18-5-13c(h)** requires:
 - County board members serving on governing councils of educational services cooperatives may receive compensation at a maximum rate of \$100 per meeting attended, not to exceed 15 meetings per year.
- **W.Va. Code §61-10-15** states it is unlawful for any member to be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract

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TRIVIA

What type of dog is Queen Elizabeth II of England meant to love?

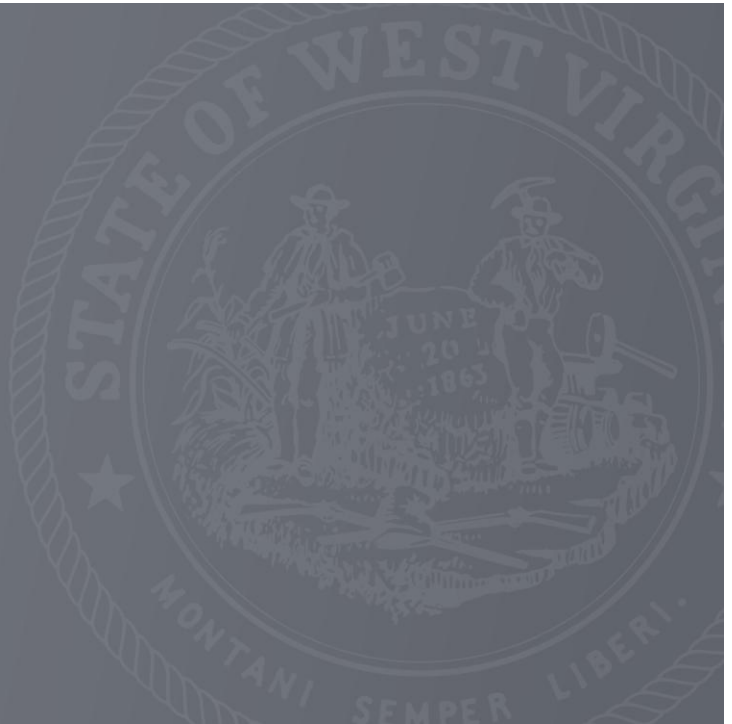
- A. Poodle
- B. Corgi
- C. Maltese
- D. Golden Retriever



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Personnel



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Contracts

Professional

- **W.Va. Code §18A-2-2(a)** requires:
 - Contract must be executed between teacher and county board
 - Contract must be signed by the teacher, president, and secretary of the board
 - Must be filed with certification or with a condition of the certification being completed

Service

- **W.Va. Code §18A-2-5** requires:
 - Service personnel must execute a written contract with the board prior to starting their duties
 - Contract must be signed

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Extra Duty Pay

- **W.Va. Code §18A-4-16** requires:
 - The assignment of professional and service personnel must be a mutual agreement, subject to board approval
 - Must agree on maximum number of hours
 - Terms and conditions must be in writing and signed by both parties
 - Extracurricular contract will be separate from employment contract
-

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Supplemental Duty Pay

- **W.Va. Code §18A-2A-1** requires:
 - Supplemental duty is outside of an employee's contract that is expected to be performed during an educational day
 - County board should adopt and provide expected workdays to any classroom teacher, full-time counselor, and full-time librarian no later than 15 days prior to the employment term
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Staff Development Councils

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Staff Development Councils

Professional

- **W.Va. Code §18A-3-8** requires:
 - A professional staff development council comprised of proportional representation from the major school levels and from vocational, special education and other specialties in proportion to their employment numbers

Service

- **W.Va. Code §18A-3-9** requires:
 - A service personnel staff development council comprised of representation from the various categories of service personnel employment shall be established in each school district

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TRIVIA

What is the smallest recognized breed of dog?

- A. Maltese
- B. Chihuahua
- C. Shih'tzu
- D. Pomeranian



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Property



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Public Auction of Land, Buildings, & Improvements

- **W.Va. Code §18-5-7** requires:
 - If at any time a county board determines that any building or land is no longer needed for school purposes, the county board may sell, dismantle, remove or relocate the asset, after proper notice, to the highest responsible bidder.
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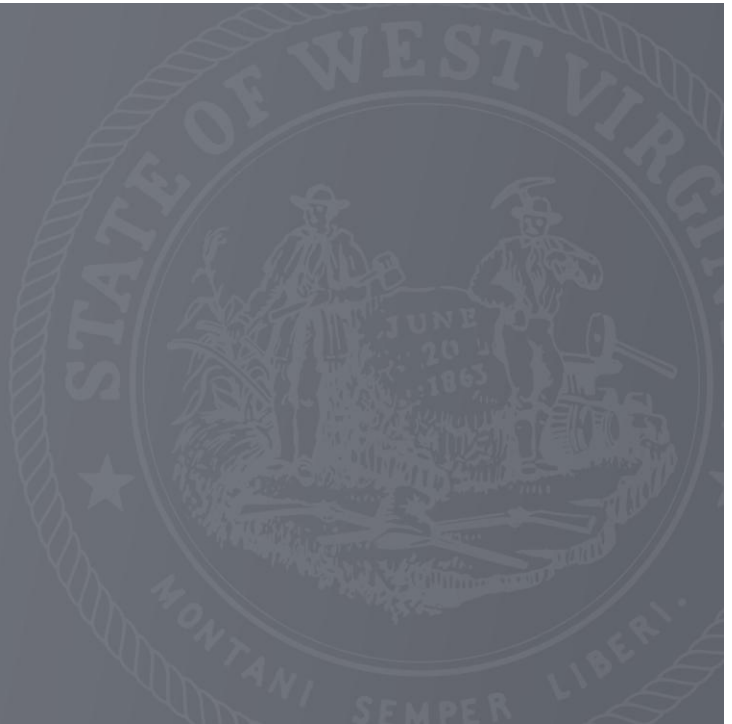


Bus Fleet

- **W.Va. Code §18-9A-7** provides LEAs with an allowance for the replacement of buses in an amount equal to 8 and 1/3 percent of the current replacement value of the bus fleet as determined by the state board
 - Select a sample of school buses from the LEA's most recent certified bus fleet report and test the sample for existence
-

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Other



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Teacher Qualifications

- **W.Va. Code §18A-3-2** requires:
 - Any professional educator who is employed within the public school system shall hold a valid teaching certificate
 - All certificates expire on the 30th day of June of the last year of their validity irrespective of the date issuance
- During payroll testing, review selected teachers for a valid teaching certificate of their specialized area and grade level

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Abandoned/Unclaimed Property

- **W.Va. Code §36-8-7 and §36-8-8** require:
 - A holder of property presumed to be abandoned must make a report to the State Treasurer
 - The report should be filed before the 1st day of November each year covering a 12-month period from the previous July 1st
 - A written notice to the apparent owner must be given between 60-120 prior to filing the report
 - Inquire of management concerning unclaimed property and review any outstanding checks
-

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TRIVIA

Odie is the pet dog of which comic strip cat?

- A. Tom
- B. Felix
- C. Sylvester
- D. Garfield



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Contact Information

Address:

1900 Kanawha Blvd East
Building 6, Suite 650
Charleston, WV 25305

Phone:

(304) 558-6300

Fax:

(304) 558-8867

