



FY22 Audit Findings & Corrective Action Plan Update



DeKalb County
School District



DOAA & FY22 Findings

Georgia Department of Audits & Accounts (DOAA)

- June 29th, 2023 – Exit Conference Held
 - DOAA practice: BOE Chair, Superintendent, Audit Contact
- August 9th, 2023 – Invited to Audit Committee, Confirmed, then Removed
- August 23, 2023 – Invited to Board Retreat, Previously Scheduled for “Peer Review”
- September 11, 2023 – Invited to BOE meeting, ?

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|------------|
| Type of auditor's report issued: Governmental Activities and Each Major Fund | Unmodified |
| Internal control over financial reporting: | |
| ▪ Material weakness(es) identified? | No |
| ▪ Significant deficiency(ies) identified? | Yes |
| Noncompliance material to financial statements noted: | No |

Federal Awards

| | |
|---|-----|
| Internal Control over major programs: | |
| ▪ Material weakness(es) identified? | No |
| ▪ Significant deficiency(ies) identified? | Yes |

| | |
|--|------------|
| Type of auditor's report issued on compliance for major programs: | |
| All major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |

Identification of major programs:

| <u>Assistance Listing Number</u> | <u>Assistance Listing Program or Cluster Title</u> |
|----------------------------------|--|
|----------------------------------|--|

| | |
|--------|----------------------------------|
| 84.367 | Supporting Effective Instruction |
| 84.425 | Education Stabilization Fund |

| | |
|--|----------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$3,000,000.00 |
| Auditee qualified as low-risk auditee? | No |

Findings (pg 85)

Financial Statement Findings

- Pg. 85 (Section IV pg. 2) FS2022-0001
Strengthen Oversight of the Information System Conversion
- Pg. 86 (Section IV pg. 3) FS2022-0002
Strengthen Information Technology General Controls
- Pg. 87 (Section IV pg. 4) FS2022-0003
Internal Control Procedures
- Pg. 90 (Section IV pg. 7) FS2022-0004
Strengthen Controls over Employee Compensation

Federal Award Findings

- Pg. 93 (Section IV pg. 2) FA2022-0001
Improve Budgetary Controls over Expenditures
- Pg. 95 (Section IV pg. 2) FA2022-0002
Improve Controls over Indirect Costs
- Pg. 98 (Section IV pg. 2) FA2022-0003
Equipment and Real Property Management



SB68 & Corrective Action Plan

SB-68 – DOAA to Provide Designation

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 20 of the Official Code of Georgia Annotated, relating to education, so as to
2 strengthen provisions relating to the financial management of local school systems; to
3 provide for training for local board of education members and local school superintendents
4 on financial management; to provide for monthly reporting to the local board of education
5 on the financial stability of the local school system; to provide for designation by the
6 Department of Audits and Accounts of high-risk local school systems and moderate-risk
7 local school systems based on annual audits; to provide for financial management provisions

SB-68 (Clearance Letter – July 19, 2023)

Moderate Risk Designation

Per Official Code of Georgia Annotated Section 20-2-67 (as amended per Senate Bill 68 during the 2020 legislative session), the Department of Audits and Accounts (DOAA) is required to designate a risk level for each school system. Those school systems with irregularities or budget deficits reported for three or more consecutive years are classified as high-risk. School systems with irregularities or budget deficits reported for one or two consecutive years are classified as moderate risk. Based on the Audit Committee Letter dated June 29, 2023, DeKalb County Board of Education has been designated as moderate risk. With that designation, the superintendent is required to submit to the State Board of Education, within 120 days of the date of the Audit Committee Letter, a detailed corrective action plan regarding the risk status. The corrective action plan should include specific changes to the internal control structure of the school system that are designed to reduce the risk status of the district from moderate risk. Please note this corrective action plan is separate from the corrective action you may have submitted as part of the audit process. The corrective action plan should be presented to the local board of education in a regular meeting and signed by each board member. After local

SB-68 Does Section 1-5 Apply?

Good morning, Byron,

I hope your board meeting went well. Our Senate Bill 68 discussion prompted Chris and me to have further discussions with Amy. After consulting with Amy, she confirmed that my original interpretation of SB 68 Section 1-5 was correct. In addressing a budget deficit, OCGA 20-2-67 did require a LEA to provide monthly, board approved anticipated expenditures. This bill was used to expand on 20-2-67. It also addressed OCGA 20-2-58 in an effort to improve transparency in reporting, among other things. This required Board Members to be more interactive and knowledgeable of the financial and audit status of the LEA's. The expansion of 20-2-58 required the LEAs to provide a monthly financial status that includes, at a minimum, a statement of revenues, expenditures, and encumbrances for the local board to review. This monthly financial report is approved in the minutes of the Board Meetings which is in essence a review. Based on Dekalb's findings, the additional report (referenced in Section 1-5, previously 20-2-67) will not provide more assurance for improved internal controls. The monthly reporting that was an expansion of 20-2-58 with encumbrances is adequate. An additional report would be redundant. If you have any other questions or concerns, please let me know.

Jasmine Williams

Accountant IV

Financial Review Division

SB-68 Corrective Action Plan

- Thursday – June 29th, 2023 – Exit Conference
- Wednesday, July 19th, 2023 – Clearance Letter
- **8/30/23 through 9/20/23 – Corrective Action Plan Development**
- 9/20/23 – Simbli Items Due for October BOE Meeting
- Tuesday, October 3, 2023 – Pre Agenda with Chair
- Monday, October 15th, 2023 – BOE Meeting (Approve Plan)
- Friday, October 27, 2023 – (Plan Due)

Questions?