

NC Auditor Rapid Response Special Report Corrective Action Tracking - June 2026 Update

Finding #	Finding	Response	Corrective Action	Evidence of Action	Deadline	Status
Finding 1	The District failed to reduce its staffing despite a decrease in its student population.	WS/FCS acknowledges issue and is working to align staffing with NC DPI ratios and available funding.	Eliminated building-based subs.	BOE Budget and Cost Savings Update 6/10/25	December 1, 2025 & August 1, 2026	UPDATED: Complete December and August deadlines met. Updated allotment formulas were used to develop FY 26-27 Budget.
			Reduced 81 Central Office positions April 2025.	BOE Reduction in Force Agenda Item 4/8/25		
				Central Office Reduction in Force Chart - by Position and Department 7/3/25		
			Reduced 197 positions to realign school allotments June 2025.	BOE Budget and Cost Savings Update 6/10/25		
				State-Funded School Allotment Reversions Chart 7/3/25		
			Reduced approximately 300 positions districtwide August 2025.	HIL Consultants Staff Ratios and Allocations Recommendations 8/12/25		
				BOE Recommended Reduction in Force Presentation 8/19/25		
Total District Personnel 10/30/24 - SS200 Report						
NEW - Revised school based allotments to more closely align with state funding.	NEW - Allotment Manual - DRAFT					
Finding 2	The District used temporary COVID-era funds to pay staff salaries and did not remove positions when the temporary aid ended.	WS/FCS acknowledges issue and is working to align staffing with NC DPI ratios and available funding.	Eliminated building-based subs.	BOE Budget and Cost Savings Update 6/10/25	6/30/2026	UPDATED: Complete December and August deadlines met. Updated allotment formulas were used to develop FY 26-27 Budget.
			Reduced 81 Central Office positions April 2025.	BOE Reduction in Force Agenda Item 4/8/25		
				Central Office Reduction in Force Chart - by Position and Department		
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Total District Personnel 10/30/24 - SS200 Report						
NEW - Revised school based allotments to more closely align with state funding.	NEW - Allotment Manual - DRAFT					

Finding 3	The District regularly approved purchase orders that exceeded its budgets and did not later revise these budgets.	WS/FCS acknowledges issue. New Tyler Enterprise Resource System (ERP) prevents exceeding budget. District will conduct a review of policies and procedures on budget transfers and provide training for budget managers.	WS/FCS has implemented Tyler and trained budget managers on the full range of procedures, including the process for budget transfers.	Tyler Conversion Training Document Archive	6/30/2026	UPDATED: In progress: Finance SOPs are still under development.
				Budget Transfers and Amendment Training Manual		
			BOE Finance Committee reviews and approves budget amendments regularly.	8/26/25 Budget Amendment		
				9/9/25 Budget Amendment		
				9/23/25 Budget Amendment		
				10/28/25 Budget Amendment		
				11/10/25 Budget Amendment		
				12/16/25 Budget Amendment		
				1/13/26 Budget Amendment		
				2/10/26 Budget Amendments #9		
				2/10/26 Budget Amendments #10		
				NEW - 3/17/2026 Budget Amendement #12		
				NEW - 4/14/2026 Budget Amendment #13		
				NEW - 4/28/2026 Budget Amendement #14		
				NEW - 5/12/2026 Budget Amendement #15		
				NEW - 5/26/2026 Budget Amendement #16		
	NEW - 6/9/2026 Budget Amendment #17					
NEW - WS/FCS has reviewed and brought forward recommended policy changes for BOE adoption June 9.	NEW - Updated financial policies - June 9, 2026 Policy Committee					

Finding 4	The District did not reconcile budgeted and actual revenue and expenditures in a timely manner.	WS/FCS acknowledges issue. Beginning this month, Finance Committee will receive monthly budget-to-actual reports. HIL Consulting Group will recommend any other reports that are needed for timely, ongoing budget analysis.	BOE Finance Committee reviews monthly Budget-to-actual reports.	August Monthly Financial Report September Monthly Financial Report October Monthly Financial Report December Monthly Financial Report (Note - there was no Finance Committee meeting in November.) January Monthly Financial Report (Note - this was presented in February due to a meeting being rescheduled for inclement weather.) February Monthly Financial Report NEW - March Monthly Financial Report NEW - April Monthly Financial Report NEW - May Monthly Financial Report	8/1/2025	Complete and on-going.
Finding 5	The District did not reassess COVID-era bonus payments to ensure alignment with current financial conditions and fund availability.	WS/FCS acknowledges issue. No bonuses other than state-allocated bonuses planned for Fiscal Year 2025-2026. In future, WS/FCS will ensure adequate funds are available, regardless of the funding source, before contemplating any bonuses to its employees.	No bonuses other than state-allocated bonuses planned for Fiscal Year 2025-2026.	Fiscal Year 2025-26 Budget Book	Complete for FY 25-26 Cont. Budget Resolution	Complete

Finding 6	The District inappropriately uses suspense accounts – temporary holding accounts intended for transactions that could not be immediately classified.	WS/FCS acknowledges the use of suspense accounts, generated automatically by SunPac financial system. Working with SunPac to understand how the reported amount has accumulated and what needs to be done to reflect a zero balance.	The suspense accounts were zeroed out as of June 30, 2025.	SunPac Financial Suspense Account Overview SunPac Financial Suspense Account Balance Transfers	6/30/2026	Complete and ongoing
Finding 7	The District did not adequately consider its contracts when creating its budget.	WS/FCS acknowledges issue. New Tyler system requires contracts to be uploaded and associated with a line item in the budget that has adequate funds. Will create a central repository of contracts.	<p>Tyler system now acts as the district's repository of contracts.</p> <p>BOE receives monthly report of current contracts under 100K.</p> <p>BOE adopted new contract administration policy.</p> <p>Financial Services staff is creating new contract workflow processes. Example - EC Contract Process.</p>	Tyler Contract Repository - Screen Capture Tyler Contract Workflow Illustration September Contract Report October Contract Report November Contract Report December Contract Report January Contract Report February Contract Report NEW - March Contract Report NEW - April Contract Report NEW - May Contract Report Policy 3330 Contract Administration - Adopted January 2026 EC Contract Process	6/30/2026	Complete and ongoing

Additional Assessment	The District has failed to correct prior audit findings, which has contributed to poor accounting procedures, budgetary practices, and the FY 2025 budget shortfall.	District has had significant staff and leadership turnover since 2017. WS/FCS recognizes the need for stronger internal processes and succession planning to address the systemic inefficiencies and lack of controls that have existed for nearly a decade or more. OSA-developed public fiscal dashboard and independent External Audit Committee will provide additional public assurances.	WS/FCS as worked with Mauldin & Jenkins LLC in a review of internal controls, as requested by the Local Government Commission and State Board of Education.	Maudlin & Jenkins Scope of Work	Ongoing	UPDATED: Complete
				Maudlin & Jenkins Observations and Recommendations Report 12/31/25		
				Two-Year Action Plan		
			BOE created an Audit Advisory Committee and appointed its first members.	Audit Advisory Committee Policy		
			Board of Education Appoints Audit Advisory Committee Members			