



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

**Accountability Audit Report**  
**Valley School District No. 70**  
**Stevens County**

**For the period September 1, 2015 through August 31, 2017**

**Published June 28, 2018**

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

June 28, 2018

Board of Directors  
Valley School District No. 70  
Valley, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

Because public distribution of tests performed and the related results over information technology could increase the risk to the District's IT security, distribution of that information has been limited to management and the governing body of the District and is kept confidential under RCW 42.56.420.

### About the audit

This report contains the results of our independent accountability audit of Valley School District No. 70 from September 1, 2015 through August 31, 2017.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the years ended August 31, 2017 and 2016, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Student enrollment reporting (basic education)
- Selected IT security policies, procedures, practices, and controls protecting financial systems, IT systems, and data
- Self-insurance evaluation
- State grant – healthy kids grant
- Procurement –purchase of a school bus

## RELATED REPORTS

### **Financial**

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Other reports**

We have conducted a separate audit to examine the District's compliance with Alternative Learning Experience (ALE) requirements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

Valley School District No. 70 provides educational services to approximately 196 kindergarten through eighth grade students in its traditional classrooms. The District hosts a cooperative onsite high school, Paideia High School, comprised of five non-high school districts serving an average of 59 students. Columbia Virtual Academy is the District's online and parent partnership program serving approximately 445 choice students from across Washington State. Additionally, the District operates the Valley Early Learning Center, providing preschool instruction to approximately 43 students. The District also operates the VL Transport Center Cooperative, which is a state-of-the-art transportation facility providing mechanical and fuel services for 12 school districts.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent to oversee the District's day-to-day operations as well as its 113 employees. For the years under audit, the District operated on annual General Fund budgets of approximately \$9.7 and \$9.9 million for 2015-2016 and 2016-2017, respectively.

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*Information current as of report publish date.*

### **Audit history**

You can find current and past audit reports for Valley School District No. 70 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

<b>Contact information for the State Auditor's Office</b>	
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