

Troy City School District
Corrective Action for Audit ending 6/30/2020

| | Finding | Recommendation From Auditor | District Response | Individual Responsible for Correction | Anticipated Completion/Implementation Date |
|----------------------------------|---|---|---|--|---|
| #1 Fixed Asset Accounting | During our testing of Fixed Assets we noted that several capital projects were not transferred to the fixed asset listing upon completion of the project. In addition, there were several capital asset expenditures made during the year which were not capitalized and depreciated, requiring late adjustment by the client. | We recommend that the District implement a procedure to identify and capitalize all assets as your capitalization policy requires and reconcile, at least on a monthly basis, the items identified to the capital asset addition reports. This information should be reviewed by management and any discrepancies should be resolved in a timely manner. | The District has requested additional training on the fixed asset software. The Purchasing Agent and Stockroom Clerk will be trained on how to properly capitalize all assets purchased during the year. The Purchasing Agent will work on establishing procedures. | Purchasing Agent | 6/30/2021 |
| #2 Fund Balance | Through discussion with management it was noted that the District was anticipating a significant increase in the 20-21 fiscal year due to changes required under state mandate due to the current COVID-19 pandemic. We recommended to management that an additional appropriation be made for these expenditures even though they were in excess of the approved budget amounts and not timely voted on by the Board of Education. | We recommend that a process be put in place where these shortfalls can be identified timely and the Board of Education can properly approve. Due to the circumstances surrounding the COVID-19 pandemic and the lack of time Districts were given to comply with the State mandates, this placed significant financial burden upon them where actions had to be taken outside of the normal course of business. | During a typical year the District has a process in place for the Board of Education to act in a timely manner. This was an exception due to the pandemic and we do not foresee this happening again in the future. The District did take the Auditors recommendation and appropriated additional fund balance for the 2020-2021 school year. | Assistant Superintendent for Business, Treasurer, Board of Education | 6/30/2021 |