Washington State Auditor’s Office
Accountability Audit Report

Bethel School District No. 403
Pierce County

Report Date
April 6, 2012

Report No. 1007590

Issue Date
May 21, 2012

AUDITOR OF THE STATE OF WASHINGTON
WASHINGTON STATE AUDITOR
May 21, 2012

Board of Directors
Bethel School District No. 403
Spanaway, Washington

Report on Accountability

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor’s Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Bethel School District No. 403’s accountability and compliance with state laws and regulations and its own policies and procedures. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR
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Pierce County  
April 6, 2012

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Audit Summary

Bethel School District No. 403
Pierce County
April 6, 2012

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of Bethel School District No. 403 from September 1, 2010 through August 31, 2011.

We evaluated internal controls and performed audit procedures on the activities of the District. We also determined whether the District complied with state laws and regulations and its own policies and procedures.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The following areas were examined during this audit period:

- Accounting/financial reporting
- Procurement cards
- Financial condition
- Open public meeting minutes
- Procurement – public works
- Associated Student Body – cash receipting
- Payments/expenditures
- Alternative Learning Education program

RESULTS

In the areas we examined, the District's internal controls were adequate to safeguard public assets. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.
Related Reports

Bethel School District No. 403
Pierce County
April 6, 2012

FINANCIAL

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements.

FEDERAL GRANT PROGRAMS

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.
Description of the District

Bethel School District No. 403
Pierce County
April 6, 2012

ABOUT THE DISTRICT

Bethel School District No. 403 is the state’s 13th largest district and serves approximately 16,700 students in the Spanaway, Graham and Roy communities of southern Pierce County. It operates 17 elementary schools, six junior high schools, three senior high schools, an alternative junior-senior high school, and two online academies. In September 2010, the District began operating the Pierce County Skills Center, which opened its doors to the school districts in Pierce County.

An elected, five-member Board of Directors governs the District. Board Members serve staggered, four-year terms. The Board appoints a Superintendent to oversee the District’s daily operations as well as its approximately 1,740 employees. For fiscal year 2010-2011, the District had an annual general fund budget of approximately $167 million.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Directors:
John Manning
Brenda Rogers
Ronald Morehouse
Marianne Lincoln (through February 2012)
Joy Cook (through February 2012)

APPOINTED OFFICIALS

Superintendent
Tom Seigel

DISTRICT CONTACT INFORMATION

Address: Bethel School District No. 403
516 E. 176th
Spanaway, WA 98387

Phone: (253) 683-6000

Website: www.bethelsd.org
AUDIT HISTORY

We audit the District annually. The 2006 audit contained a federal finding regarding insufficient controls over reporting requirements for two federal programs. The 2009 audit contained a finding regarding inadequate controls over Associated Student Body activities. The District has not had a finding or management letter issued for the last two audits.

District management has been responsive to audit recommendations. All prior findings have been resolved. We believe this reflects the District's commitment to implement and maintain strong internal controls over accountability, federal program and financial reporting.
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.

Our mission is to work with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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