ISSAQUAH SCHOOL DISTRICT NO. 411
King County, Washington
September 1, 1991 Through August 31, 1992

Schedule Of Findings

1. District Officials Should Improve Accounting Controls Over Fixed Assets

Our review of the district's fixed assets disclosed the following internal control weaknesses:

a. The district does not have a centralized general ledger fixed assets accounting control system which includes subsidiary fixed assets records for equipment and furniture.

b. Physical inventory procedures, as applied, cannot be relied upon to provide an accurate accounting of equipment and furniture within the district.

c. The district does not have procedures to reconcile purchases or retirement, as they occur, for assets purchased prior to September 1, 1990.

d. Furniture and equipment purchased prior to September 1, 1990, are not identified by some means of positive identification at most locations within the district.

As a result of these conditions, district officials do not have adequate information to ensure that equipment and furniture are properly accounted for.

Under procedures mandated by the *Accounting Manual for Public School Districts in the State of Washington*, reporting fixed assets on the financial statements is optional. As a result, the district has not allocated sufficient resources to establish and maintain an adequate fixed asset accounting control system. This finding is repeated from the prior year's report.

We again recommend that controls over fixed assets be improved by:

a. Establishing and maintaining comprehensive general fixed asset accounting control records. These records should document all general fixed asset locations, location transfers, additions, and retirements as they occur. The district should retain all support documentation for these changes.

b. Performing a comprehensive annual physical inventory of fixed assets, including equipment, land, buildings, and transportation vehicles. The physical inventory records should them be reconciled with the district's general fixed asset control records, with all differences resolved and recorded.

c. Properly identify district furniture and equipment by some means of positive identification.