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Moses Lake School District Shares Audit Findings and Actions to Strengthen Financial Oversight

MOSES LAKE, Wash. — The Moses Lake School District Board of Directors publicly reviewed the results of an accountability audit conducted by the Washington State Auditor’s Office during a special session held Thursday, March 19.

The audit examined the district’s financial practices from 2022 through 2024, including the period leading up to the financial challenges identified in May 2024.

Audit Findings and Actions

The State Auditor’s Office identified several areas requiring improvement. District leadership has taken steps to address each finding and strengthen financial oversight moving forward.

Financial Condition and Budget Compliance

The audit found that district expenditures exceeded revenues during the audit period and that financial monitoring and reporting processes were not sufficient to prevent overspending or ensure compliance with state budget requirements.

Actions taken:

- Strengthened monthly financial reporting to ensure timely, accurate, and transparent information
- Expanded financial oversight to include district leadership and the Board of Directors
- Implemented more detailed budget development and expenditure tracking processes
- Increased frequency of budget-to-actual reviews to prevent overspending

Levy Approval Process

The district did not obtain required approval from the Office of Superintendent of Public Instruction (OSPI) prior to placing an enrichment levy on the 2024 ballot.



Actions taken:

- Obtained OSPI approval and implemented a formal internal process and checklist for levy compliance
- Assigned clear responsibility for levy planning and approval timelines
- Added executive-level review prior to future levy submissions

Procurement Practices

The audit found inconsistent documentation and controls to demonstrate compliance with state purchasing requirements.

Actions taken:

- Updated procurement procedures and clarified documentation requirements
- Provided staff training on purchasing requirements and competitive bidding laws
- Established centralized recordkeeping for procurement documentation
- Strengthened internal review processes for larger purchases

Expenditure Oversight

The audit identified weaknesses in internal controls related to credit card use, purchasing, and fuel expenditures.

Actions taken:

- Discontinued the use of open purchase orders
- Strengthened approval processes and documentation requirements
- Provided staff training on allowable expenditures and recordkeeping
- Increased Board oversight, including regular review of Accounts Payable

Additional Areas Identified

A management letter issued by the Auditor's Office also identified areas for improvement related to payroll and leave monitoring, contract documentation, enrollment reporting, cash handling procedures, and asset tracking.

Actions taken:

- Strengthened payroll oversight and updated policies and tracking systems
- Improved procedures for contracts, enrollment documentation, and cash handling
- Implemented corrective actions related to asset tracking and inventory controls
- Established clearer procedures and accountability measures across departments

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Throughout the audit process, district leadership worked closely with the Washington State Auditor's Office and followed auditor guidance to address identified concerns. As a result, many corrective actions were implemented during and following the audit period.

Moving Forward

The Moses Lake School District remains committed to continuous improvement and transparency. District leaders will continue to monitor financial operations closely, implement audit recommendations, and provide updates to the Board and community.

Audit documents, district responses, and related materials are available on the district's website. Community members are encouraged to stay engaged and informed as the district moves forward.

For more information about Moses Lake School District and its strategic initiatives, please visit www.mlsd161.org.

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About Moses Lake School District:

The Moses Lake School District serves a diverse and dynamic community, providing comprehensive educational opportunities to over 8,000 students across multiple campuses. Committed to fostering a collaborative and innovative learning environment, the district emphasizes academic excellence, career and technical education, and inclusive practices that support all students in achieving their full potential.