
Superintendent of Public Instruction (SPI)

Agency: 350

Audit Report: 1002925

Finding Number: 001

Finding: The Office of Superintendent of Public Instruction lacks adequate controls to safeguard and account for its capital assets.

Resolution: In response to this finding, the Office of Superintendent of Public Instruction (SPI) took the following actions:

1. Communicated to all staff, through emails from the director and at cabinet meetings, that capital asset accountability is of the utmost priority for SPI.
2. Performed a physical inventory of all capital assets and small and attractive assets in April 2009.
3. Established a workgroup to identify roles and responsibilities surrounding all areas of capital asset management, and designated a new inventory officer with the responsibility of ensuring compliance with capital asset management policies.
4. Purchased and implemented, as of July 1, 2009, a new system for tracking all inventoriable assets ("capital" and "small and attractive") in real time. Each time an inventoriable item is moved, reassigned, or identified as surplus, the item's location is immediately updated in the system using a handheld scanning device. Several staff from the agency's accounting, information technology, audit, receiving, and surplus functions were trained on the use of this tracking system. This will tremendously reduce the amount of time spent conducting a physical inventory and will minimize SPI's risk of loss.
5. Drafted an updated capital asset policy to reflect the new tracking system discussed above and to comply with the *State Administrative and Accounting Manual (SAAM)*. The policy addresses roles and responsibilities of different sections in SPI and considers internal controls to reduce risk of errors and loss. Due to budget cuts and reorganization, this policy has not been finalized but is used to govern internal procedures to ensure compliance.
6. Changed procedures for tracking capital assets and notified all SPI employees of those changes and their individual responsibilities.
7. Completed the required reconciliation of the Capital Asset Management System records to the Agency Financial Reporting System as of February 28, 2010. This will be an ongoing activity, on a quarterly basis, in accordance with SAAM.

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