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Auditor of State Mary Mosiman today released a reaudit report on the Mason City Community School District (District) for the period July 1, 2014 through June 30, 2015. The reaudit also covered items applicable to the years ended June 30, 2016 and June 30, 2017. The reaudit was performed at the request of a District official pursuant to Section 11.6(4)(a)(2) of the *Code of Iowa*.

Mosiman reported the reaudit for the period July 1, 2014 through June 30, 2015 identified $109,073.24 of improper disbursements, including $68,678.26 of improper vacation payout costs. The improper vacation payouts identified were issued to 5 former employees.

Mosiman also reported the improper disbursements identified include $40,394.98 of improper salary costs for payments made to the District's former Business Manager and former Human Resources Director during the fiscal years ended June 30, 2016 and 2017. The improper payments were a result of unauthorized salary increases, improper salary amounts, and related benefits.

Mosiman also reported additional concerns were presented subsequent to completion of the reaudit, which related to prior fiscal years. Because the additional concerns were outside the scope of the reaudit, a separate special investigation report will be issued pending the outcome of additional procedures performed.

Mosiman recommended the District review various Board policies to ensure they are appropriate, complete, and properly followed and strengthen termination benefit policies by including specific terms of payouts. The District should also ensure any vacation payouts are approved by the Board, are mathematically accurate, and comply with the established Board policy. In addition, the Board, or a designated Board member, should perform an independent review of payroll to ensure approved salary increases are properly calculated. The District responded favorably to the recommendations included in the reaudit report.

Copies of the reaudit report have been filed with the Cerro Gordo County Attorney's Office and the Department of Education. Copies of the reaudit report are available for review in the District's Office, on the Auditor of State's website at https://auditor.iowa.gov/reports/1530-4131-T00Z, and in the Office of Auditor of State.

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