



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Rob Sand
515/281-5835
Or Jim Cunningham
515/281-5834

FOR RELEASE May 30, 2024

Auditor of State Rob Sand today released a reaudit report on the Bettendorf Community School District (District) for the period July 1, 2021 through June 30, 2022. The reaudit was performed at the request of petitioners pursuant to Section 11.6(4)(a)(3) of the *Code of Iowa*. The petition submitted to the Office of Auditor of State requested a reaudit of the year ended June 30, 2022.

The reaudit was requested as a result of concerns regarding the terms of the Superintendent's contract and payment for professional development and training.

Sand reported the reaudit did not identify any improper disbursements related to the Superintendent's contract and for reimbursements related to professional development and training.

Sand recommended District officials review and update the District's policies and procedures to track professional development time for all staff to ensure compliance with any reporting standards for continuing education.

A copy of the reaudit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

#

BETTENDORF COMMUNITY SCHOOL DISTRICT

**AUDITOR OF STATE'S REPORT ON REAUDIT
OF THE SUPERINTENDENTS CONTRACT**

**FOR THE PERIOD
JULY 1, 2021 THROUGH JUNE 30, 2022**

Table of Contents

	<u>Page</u>
Officials	3
Auditor of State's Report on Reaudit	5
Background Information	6
Concerns and Auditor's Responses	6-8
Staff	9

Bettendorf Community School District

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Officials – Fiscal Year 2023</u>		
Board of Education		
Rebecca Eastman	President	2023
Andrew Champion	Vice President	2025
Richard Lynch	Director	2025
Paul Castro	Director	2023
Michael Pyevich	Director	2023
Joanna Doerder	Director	2023
Linda Smithson	Director	2025
(After November 2023 Election)		
Patrick Larkin	President	2027
Paul Castro	Vice President	2027
Andrew Champion	Director	2025
Kevin Freking	Director	2027
Richard Lynch	Director	2025
Ryan McGiven	Director	2027
Linda Smithson	Director	2025
School Officials		
Michelle Morse	Superintendent	2024
Colleen Skolrood	Board Secretary	2024
David Farmer	Board Treasurer	2024

Bettendorf Community School District



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Auditor of State's Report on Reaudit

To the Board of Education of
the Bettendorf Community School District:

We received a request to perform a reaudit of the Bettendorf Community School District (District) in accordance with Section 11.6(4)(a)(3) of the *Code of Iowa*. As a result of concerns regarding certain financial transactions related to the Superintendent's contract and professional development expenses for the period July 1, 2021 through June 30, 2022. The District's management is responsible for the financial transactions of the District's. Based on discussions with District officials and personnel and a review of relevant information, we performed the following procedures.

1. Interviewed District officials to obtain an understanding of the contract and any amendments.
2. Reviewed payments made to the Superintendent to determine compliance with the initial Contract terms and any amendments approved and signed by the Board.
3. Scanned reimbursements to the Superintendent for professional development and training to determine compliance with District policies.

No items of non-compliance were identified during the performance of the specific procedures listed above. However, a recommendation was provided to help strengthen the District's policies and procedures. The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of the District, additional matters might have come to our attention that would have been reported to you.

We would like to acknowledge the assistance extended to us by the officials and personnel of the District during the course of the reaudit.

A handwritten signature in black ink that reads "Rob Sand".

ROB SAND
Auditor of State

May 15, 2024

Bettendorf Community School District

For the period July 1, 2021 through June 30, 2022

Background Information

We received a citizens’ petition to conduct a reaudit of the Bettendorf Community School District (District) for the fiscal year 2022. The request specified the concerns listed in the next section of this report, including:

- Compliance with terms of the Superintendent’s employment contract, and
- Compliance with District policies for reimbursement of professional development and training expenses.

As a result of the request and review of the concerns, we determined it was necessary to perform reaudit procedures for the concerns related to the Superintendent’s contract and professional development. The reaudit procedures were performed for the period July 1, 2021 through June 30, 2022.

No instances of non-compliance were identified related to the specific concerns presented with the reaudit request. In addition, information obtained while performing the procedures is included in the following section of this report along with the concerns provided to us. While the reaudit procedures performed addressed the concerns presented, additional procedures were not performed during our fieldwork for the reaudit. Had we performed additional procedures, additional matters might have been identified and included in this report.

Concerns and Auditor’s Responses

- 1) **Compliance with payment terms of the Superintendents contract** – Petitioners were concerned the Superintendent was paid at a Level 2 salary effective July 1, 2021, prior to the addendum to the contract being signed on July 27, 2021.

Auditor’s Response – The terms of the contract which are relevant to this concern are as follows:

1. Pursuant to the established BCSD Administrator Salary Schedule, the Superintendent's salary shall be increased to Level 2, or \$206,565.00 for the 2021-2022 school year.
2. The term of this Agreement shall commence as of July 1, 2021, and shall be effective for a period of three (3) years, terminating on June 30, 2024. This contract will automatically renew for equivalent three-year periods if not terminated, resigned, or modified by mutual agreement. If the Board wishes to terminate this automatic renewal provision of the Agreement, the Board will provide written notice to the Superintendent, on or before May 15 of any year of the contract, of its intention to terminate the contract at the end of the current three-year term.

At the May 13, 2021, Bettendorf Community School District Board of Education (Board) meeting the Board approved Administrators Contracts. The list of contracts approved included the Superintendent’s contract at a salary of \$206,565.00 for the 2021-2022 school year.

As noted, above the Superintendent’s contract term ran from July 1, 2021, through June 30, 2024. The contract was signed on July 27, 2021. Although the contract was signed after July 1, 2021, it had been approved by the Board during the May 13, 2021 meeting.

Although the contract was signed after July 1, 2021, the terms of the contract state the period of the contract is from July 1, 2021 through June 30, 2024. As result, the Superintendent was paid in accordance with the terms of the contract effective July 1, 2021.

Auditor's Recommendation – No response required.

- 2) **Professional Development and Training** – Petitioners were concerned the Superintendent was reimbursed for professional development expense; however, no time was recorded in the District's time reporting system as professional development time.

Auditor's Response – Board Policies address professional development for the Superintendent.

Board Policy 302.6 states “The board encourages the superintendent to continue professional growth by being involved in professional organizations, attending conferences, continuing education, and participating in other professional activities. It is the responsibility of the superintendent to arrange the superintendent's schedule in order to enable attendance at various conferences and events. If a conference or event requires the superintendent to be absent from the office for more than three days, requires overnight travel, or involves unusual expense, the superintendent will bring it to the attention of the entire board prior to attending the event. The superintendent will report to the board after an event.”

We reviewed reimbursements made to the Superintendent for the period July 1, 2021 through June 30, 2021. The reimbursement claims were supported by the required District form showing the purpose of the trip, mileage, meals, and other expenses. The request also contained supporting documentation including receipts for expenses and maps listing the number of miles from Bettendorf to the training location. We also observed approval for the travel by the Board president or their designee prior to the training occurring. The Superintendent also filed reports with the Board president which included information on the event attended and any suggestions the Board should consider. The Superintendent also prepared newsletters circulated to staff which included information on specific training events attended.

The District's time reporting system includes a line for reporting professional development time. According to staff we spoke with, this line has been inconsistently used by all staff over the last few years. District officials did not provide clear and consistent guidance to all staff regarding how to record professional development time.

Auditor's Recommendation – The District should develop policies and procedures to ensure they are tracking professional development time for all staff. This will allow District officials to monitor compliance with any reporting standards for continuing education for all staff levels.

Response – The District has reviewed and updated policies and procedures to ensure policies and practices are followed to track all staff professional development for continuing education credit.

Conclusion – Response accepted.

There were additional concerns included in the request for reaudit but were not reviewed during the reaudit. The concerns and the reasons they were not addressed during the reaudit are listed below.

- Behavioral reports – Behavioral issues are outside the scope of a financial statement audit or a typical compliance audit. Concerns over the reporting of behavioral issues should be addressed by the District, Parents, Department of Education, and if necessary legal counsel.
- Compliance with staffing requirements – Compliance with staffing requirements is outside the scope of a financial statement audit or a typical compliance audit. Concerns regarding staffing issues should be addressed by the District and the Department of Education.
- Continued loss of staff – This is a concern in many school districts in Iowa and across the country and is driven by many factors and is not part of a financial statement audit or a typical compliance audit.

Bettendorf Community School District

Staff

This reaudit was performed by:

Ridge G. Nennig, Staff Auditor

A handwritten signature in black ink, appearing to read 'James Cunningham', with a long horizontal flourish extending to the right.

James Cunningham, CPA
Chief Deputy Auditor of State