

# North Dakota Office of the State Auditor

## Solen Public School District #3

Special Examination Audit Report

October 31, 2016 through October 31, 2018

Report Number: 7036



North Dakota State Auditor  
Joshua C. Gallon

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**SOLEN PUBLIC SCHOOL DISTRICT #3  
Solen, North Dakota**

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STATE AUDITOR  
Joshua C. Gallion



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September 19, 2019

Rebekah Wallen, Claims Support Specialist  
North Dakota Insurance Reserve Fund  
1320 West Century Avenue  
Bismarck, ND 58502

Re: Solen Public School District #3, Bond No. 2096, Claim No. 126

Dear Ms. Wallen,

We performed a special examination of the Solen Public School District for the period October 31, 2016 through October 31, 2018 – excluding the period of January 1, 2018 through September 30, 2018, as there was a lapse in insurance coverage. A former employee was the former Business Manager at Solen Public School District. Our responsibility was to report on Solen Public School District's limited records.

Based on our examination, we noted the following:

- There were unsupported payroll checks issued to a former employee, which exceeded her contracted salary. Unsupported payroll checks totaled \$32,511.15.
- Solen Public School District's credit card was used to pay for electric and fuel oil bills where the service address was that of a former employee, totaling \$3,526.20. The credit card was also used to pay for a 43-day car rental, with a former employee as the renter. The car rental totaled \$2,563.73, after insurance. Questioned credit card transactions totaled \$6,089.93.

The total amount in question is \$38,601.08. Detailed schedules of the questioned amounts are presented on the following pages. The North Dakota Insurance Reserve Fund should take whatever action may be necessary regarding this matter.

Sincerely,

/S/

Joshua C. Gallion  
State Auditor

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**SOLEN PUBLIC SCHOOL DISTRICT #3  
Solen, North Dakota**

**SUMMARY OF AMOUNTS QUESTIONED**

**October 31, 2016 through October 31, 2018**

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	<u>Amount Questioned</u>
Unsupported Payroll Checks Exceeding Contracted Salary	\$ 32,511.15
Questioned Credit Card Transactions	<u>6,089.93</u>
Total Amounts Questioned	<u><u>\$ 38,601.08</u></u>

**SOLEN PUBLIC SCHOOL DISTRICT #3  
Solen, North Dakota**

**UNSUPPORTED PAYROLL CHECKS EXCEEDING CONTRACTED SALARY**

**October 31, 2016 through October 31, 2018**

<u>Check Date</u>	<u>Pay ID</u>	<u>Payee</u>	<u>Check Number</u>	<u>Unsupported Gross Amount</u>
2/23/2017	2017-02:022317S	Former Employee	2234491	\$ 1,188.40
4/4/2017	2017-04:040417M	Former Employee	2234669	1,188.40
4/12/2017	2017-04:041217S	Former Employee	2234695	2,614.48
4/18/2017	2017-04:041817M	Former Employee	2234716	1,188.40
5/2/2017	2017-05:050217A	Former Employee	2234767	600.00
5/5/2017	2017-05:050517S	Former Employee	2234770	1,901.44
5/15/2017	2017-05:051517M	Former Employee	2234827	1,782.60
5/19/2017	2017-05:051917M	Former Employee	2234861	950.72
5/29/2017	2017-05:052917M	Former Employee	2234928	1,188.40
5/31/2017	2017-05:053117S	Former Employee	2234958	891.30
6/5/2017	2017-06:060517S	Former Employee	2234993	1,188.40
6/14/2017	2017-06:061417M	Former Employee	2235015	1,188.40
6/15/2017	2017-06:061517A	Former Employee	2235030	415.94
6/28/2017	2017-06:062817M	Former Employee	2235076	552.94
7/13/2017	2018-07:071317S	Former Employee	2235104	1,224.00
7/17/2017	2018-07:071717S	Former Employee	2235118	2,203.20
7/28/2017	2018-07:072817F	Former Employee	2235137	1,224.00
8/11/2017	2018-08:081117S	Former Employee	2235185	1,224.00
8/24/2017	2018-08:082417L	Former Employee	2235224	734.40
9/7/2017	2018-09:090817M	Former Employee	2235264	1,224.00
9/29/2017	2018-09:092917A	Former Employee	2235343	1,224.00
10/6/2017	2018-10:100617B	Former Employee	2235357	1,224.00
10/9/2017	2018-10:100917S	Former Employee	2235381	1,224.00
10/30/2017	2018-10:103017D	Former Employee	2235462	2,448.00
11/2/2017	2018-11:110217F	Former Employee	2235465	734.40
11/15/2017	2018-11:111517S	Former Employee	2235514	1,224.00
				(237.68) <sup>1</sup>
				(2.99) <sup>2</sup>
			<b>Total</b>	<b>\$ 32,511.15</b>

<sup>1</sup> Pay ID 2017-05:050817S, dated 5/8/2017, was shorted by 10% or \$237.68.

<sup>2</sup> The 13 checks issued to a former employee for the period of 7/1/2017 through 12/31/2017, were each shorted \$0.23, for a total of \$2.99.

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**SOLEN PUBLIC SCHOOL DISTRICT #3**  
**Solen, North Dakota**

**QUESTIONED CREDIT CARD TRANSACTIONS**

**October 31, 2016 through October 31, 2018**

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<u>Transaction Date</u>	<u>Reference Number</u>	<u>Vendor</u>	<u>Questioned Amount</u>
12/1/2016	24164076337685082600119	Farmers Union	\$ 300.00
12/28/2016	24164076363685085400100	Farmers Union	300.00
2/19/2017	24231687050747002209641	Mor-Gran-Sou Electric	352.20
3/10/2017	24164077069685092700042	Farmers Union	300.00
4/25/2017	24231687115747002257387	Mor-Gran-Sou Electric	308.97
5/5/2017	24164077125018329180733	Enterprise Rent-A-Car	2,563.73
6/29/2017	24231687180747002302654	Mor-Gran-Sou Electric	245.46
7/20/2017	24164077201685106000040	Farmers Union	330.00
8/3/2017	24231687215747002327106	Mor-Gran-Sou Electric	304.15
10/21/2017	24231687294747002392229	Mor-Gran-Sou Electric	278.40
11/6/2017	24164077310685006200177	Farmers Union	300.00
12/15/2017	24231687349747002427798	Mor-Gran-Sou Electric	207.02
12/20/2017	24164077354685010600096	Farmers Union	300.00
		Total	<u><u>\$ 6,089.93</u></u>