

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
INTERNAL AUDITING DEPARTMENT**

**GEORGE STONE VOCATIONAL CENTER  
STUDENT FEE SYSTEM REVIEW**

**PROJECT # 2003-07**

**Accepted By Audit Planning and Review Committee:**

**May 12, 2003**

**Published:**

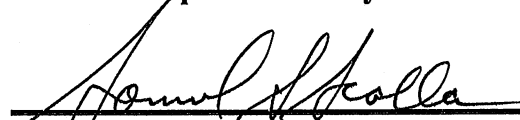
**May 20, 2003**

**Field Work Conducted By :**



**Auditor**

**Report Issued By:**

  
**Director, Internal Auditing**

**APPROVED**  
School Board of Escambia County

**MAY 20 2003**

**JIM PAUL**  
*Superintendent of Schools*

**SCHOOL DISTRICT OF ESCAMBIA COUNTY  
GEORGE STONE VOCATIONAL CENTER  
STUDENT FEE 2001-2002 FISCAL YEAR**

**REVIEW REPORT**

**Background**

George Stone Vocational Center is a vocational technical school and is part of the Escambia County School District. It serves high school students and adult students in both day and evening classes. The school offers a variety of programs such as commercial food preparation, cosmetology, auto mechanics, etc. By statute, those students who are beyond the high school age are required to pay fees to help support the cost of their education. During the 2001-2002 fiscal year, the total fees collected were approximately \$503,000. These fees are subsequently remitted to the District and become part of the Required Local Effort (RLE).

The Center has migrated through three different fee-tracking systems within the last four years. In December 1999, the school finished their conversion to the "Terms" automated student record and FTE system. The conversion is now complete.

**Scope and Objectives**

We have conducted a review of the student fee collection system of the George Stone Vocational Center for the fiscal year ended June 30, 2002. Each year, this review is performed by us in order to determine whether the student fee system is operating effectively and to test the adequacy of the internal controls over this system.

The scope of our review included records prepared during the 2001-2002 fiscal year related to the collection and payment of adult vocational fees. We reviewed student cumulative files as well as a variety of reports generated by the fee system. We reviewed attendance records, the school's student handbook, and interviewed various school personnel. Our review was conducted in accordance with Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors, Inc.

**Conclusions**

Based on our review, we believe that the internal controls over the student fee system generally appear to be sufficient to reduce to a relatively low level the risk that material errors or irregularities will occur and go undetected. We did note some areas where controls over the fee collection process could be improved that are discussed in the following paragraphs.

**Observations**

- The current system tracks accounts receivable for students who owe fees to the Center. The balance of such receivables on June 30, 2002, attributable to both self-payers and agency-billed students was \$50,082.19 representing 201 students. Currently, the fee system does not automatically carry these balances forward to the new fiscal year, but instead an employee at the Center must manually enter these balances. This method increases the chance of error and is inefficient. We recommend that programmatic changes be made to bring such balances forward automatically.

- The Center currently has a policy of dropping students from the program who do not pay their fees by the sixth day of class each month. During our review, we noted several students who were permitted to accumulate balances in excess of \$300.00 each. We recommend that the Center adhere to the established policy or modify it to suit current conditions at the Center. To aid the Center in collecting past due amounts we recommend that the Director or other administrator be provided a past due report each month. Such reports may then be monitored to aid in collection efforts.
- In comparing the accounts receivable balance reported by the Center on June 30, 2000 to June 30, 2001, we noted approximately \$3,044.00 in receivables that were not collected but appeared to “drop off” of the report. No documentation was provided that indicated that the Center had obtained permission to remove or otherwise “write-off” this amount. We recommend that the Center establish a process to periodically monitor accounts receivable, developing guidelines for period billing, assessing outstanding balances and the write-off of un-collectable amounts that include authority to write off those amounts. Such approval authority should be retained for audit purposes.
- Invoices generated by the current fee billing system do not differentiate current amounts due from past due amounts but instead combines them into one amount. Such makes it difficult for agencies to determine correct amounts due to the Center. We recommend programmatic changes to the billing system to provide for an ageing report for these agencies’ billings. Such reports would also aid the Center in their collection efforts.
- Currently the Center’s bookkeeper and cashier have rights to write receipts for fees, void receipts and make adjustments to fee payments. Because the cashier collects funds and makes deposits, she should not have rights to void receipts and/or adjust fee payments. The Center is unique in that they have both a fulltime cashier and a fulltime bookkeeper. We recommend that rights for the cashier be restricted to writing receipts only.

Please see management’s response attached.



# West Florida High School of Advanced Technology

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## MEMORANDUM

TO: Mr. Sam Scallan

FROM: Lesia Morgan, Principal *LM*

SUBJECT: Response to Student Fee System Review

DATE: March 24, 2003

Thank you for your assistance in reviewing the fee accounting system at George Stone Center. We are continuing to make significant progress towards an efficient and effective fee collection system. Areas that have been identified as needing improvement are addressed in the following responses:

- A request has been submitted to the Oasis User Group on May 23, 2002 to update fee collection program which will allow past due balances to be forwarded to the new year.
- A new policy will be established in 2003-2004 to reduce the number of dropouts who have accumulated fee balances. This policy establishes fee payment one week prior to the first day of each monthly pay period. Students failing to pay by the first day of attendance for the month will be withdrawn from the program.
- The new policy of collecting fees prior to the first day of the month should eliminate uncollected tuition. However, if there are amounts that need to be written off, a letter listing students' names with outstanding fee balances will be generated by the fee clerk requesting permission to "write-off" uncollected amounts. A copy of the letter will be given to the principal with original sent to internal auditing. The fee clerk will only "write-off" amounts once written approval is provided by internal auditing. In addition, a request for changes to the end-of-year accounting procedures has been made through the Oasis User Group. These procedures will improve the monitoring of accounts receivable.
- A work order number has been assigned by the Oasis User Group to make a programmatic change to the billing system to provide for an ageing report for agencies' billings.
- The fee clerk is the only person assigned rights to void fee receipts in the data base. The rights for both the bookkeeper and cashier will be restricted to writing receipts.

Again, thank you for your assistance. We look forward to working with you and your staff.

