



"Making a Positive Difference"

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### O.J. Semmes After School Child Care Review

Audit Number: 2007-002

Report date: March 5, 2007

Period covered: August 1, 2006 through February 16, 2007

Fieldwork dates: February 23, 2007 through March 1, 2007

## EXECUTIVE SUMMARY

### *Background*

The School-Age Child Care (SACC) Program operates under the sponsorship of The School District of Escambia County (SDEC). There are currently 27 schools which have programs administered by a contracted agency/individual firm and 7 schools which have district-operated programs. Each site is operated under School-Aged Child Care Law, Chapter 65C-22, Florida Administrative Code. The School District of Escambia County has also issued the School-Age Child Care Guidelines ("the Guidelines").

### *Objectives*

Our objective was to perform a review of the After School Child Care (ASCC) Program at O.J. Semmes Elementary, to provide district management assurance that internal controls (in the form of policies and procedures) were operating effectively, and to determine whether all fees had been collected.

### *Scope*

We interviewed personnel in the Workforce Education office and O.J. Semmes Elementary to obtain an understanding of the After School Child Care Program and learn their specific concerns.

We reviewed, on a sample basis, the attendance registers to determine fee requirements and compliance with the Guidelines. In addition, all daycare receipts under the period of review were traced through the collection process to the deposit in the bank and remittance to the District.

### *Conclusions*

It appears that all numbered receipts *written* for the period reviewed were accounted for and all monies associated to those receipts was deposited in the bank. (It is uncertain if *all* collections were properly recorded on receipts. See further comments below).

It appears weaknesses in internal controls and procedures exist. Proper procedures were not followed in carrying out daily and monthly job responsibilities and inadequate oversight and monitoring allowed these weaknesses to continue. The following deficiencies were noted:

- There were inconsistencies between records.
- All records were not current.

- Fee collections were not provided to the school's bookkeeper on a timely basis.
- All fee collections were not remitted to the District's revenue department for deposit and recording into the District's budgetary accounts. There was an outstanding balance of \$4,296.50 representing fees collected during the prior months of September, October, and November. (*Note:* at the time of this report, this balance was remitted to the District).
- Comparison of fee collections and deposits with fees that should have been assessed based upon attendance data indicate all required fees have not been collected.

#### *Management Action Plans*

See attached Management's response.

#### *Process-improvement Recommendations*

- The records reflect that all required fees have not been collected. We tested a sample of 14% of the participating students. Our sample indicated an average of \$125.00 per student of uncollected required fees ("late payments"). Quantitatively this represents a total potential outstanding balance of \$4,625.00. Of course, this amount could be higher or lower based on each student's true payment pattern. We recommend the District determine the outstanding balance due for each student participating in the ASCC program and begin the process of collecting those fees. (*Note:* guidance was given to the Workforce Education and O.J. Semmes daycare personnel).
- Weaknesses in internal control and proper record keeping were noted. We recommend additional training for the existing day care staff, as well as the new site director, regarding the policies and procedures of the ASCC program. This training will help employees improve their overall job performance and adhere to established controls. We also recommend increased monitoring and oversight over routine duties.
- We noted all daycare fees collected had not been remitted to the District and this oversight had not been realized by the District. We recommend schools participating in the ASCC program provide the District with their internal account balance for Child Care Fees on a monthly basis. In SchoolBooks, the accounting software schools use to record internal accounts transactions, the secretaries can produce an Account Snapshot Report which shows all transactions recorded. This account is a "flow through" account and should not be expected to get too high. Fees collected should be remitted to the District on a monthly basis and this account should not have a balance at year end.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

This review concentrated primarily on compliance with District's policies and procedures and not on any applicable law or regulation related to the areas within the scope of the review. Therefore, we are not commenting on the program's compliance with any laws and regulations.

## **METHODOLOGY**

A random sample of students participating in the ASCC program was selected to test for compliance, internal controls, and review of records.

An expanded sample was used to test for late payments. We concluded the test for late payments should be expanded to include 100%. After discussing the matter with District personnel, it was decided that the new site director would continue that examination.

All 100% of the daycare receipts in the receipt books for the period under review were examined to test for compliance and internal controls.

## **STATEMENT ON AUDITING STANDARDS**

This review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditing.

A handwritten signature in black ink that reads "David J. Bryant". The signature is written in a cursive, flowing style.

David J. Bryant, Director  
Office of Internal Auditing

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