



"Making a Positive Difference"

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December 17, 2008

George Stone Technical Center – Follow Up
Industrial Division – Automotive Service Technology and Automotive Collision
Repair & Refinish

EXECUTIVE SUMMARY

We performed a program audit for George Stone Technical Center – Automotive Service Technology and Automotive Collision for the period fiscal year ended June 30, 2007 and July 1 – October 17, 2007. We combined Automotive Service Technology and Automotive Collision Repair & Refinish into one report. Our report, dated December 15, 2007, included eighteen findings.

The International Standards for the Professional Practice of Internal Auditing requires that we perform a follow up to those findings. We conducted our follow up fieldwork on December 17, 2008 to determine if each finding had been addressed.

Overall, it appears that George Stone Technical Center – Automotive Service Technology and Automotive Collision Repair & Refinish has provided the necessary training and implemented the procedures needed to comply with District policy and procedures and to strengthen internal controls for 16 of the 18 findings. There remains an opportunity to strengthen internal controls concerning:

- The process used to verify identity and ownership of vehicle (i.e. scanning of documents)
- Securing of property (i.e. locked gate)

Additional follow-up work related to these two items was performed on January 20, 2009. Scanning issues still existed; however, the bookkeeper had hard copies of the evidence of verification process. The scanning issues were discussed with the Principal. The gate was secured and locked. It appears these two findings have now been addressed.

DETAILED FOLLOW-UP RESULTS

Below lists detailed information concerning those findings (**bolded**), the recommendations made, management's action, and the results/conclusion (*italicized*) found from our follow up testing.

There was a general lack of awareness of District policies and procedures applicable to Automotive Service Technology and Automotive Collision Repair & Refinish.

We recommended all District policies and procedures applicable to Automotive Service Technology and Automotive Collision Repair & Refinish be discussed

with appropriate staff. The District should re-evaluate existing policies and procedures for any needed updates and/or revisions.

Management provided training to staff via a PowerPoint presentation concerning general policies and procedures as well as specific issues applicable to Automotive Service Technology and Automotive Collision Repair & Refinish.

It appears instructors now understand and implement policies and procedures.

Inconsistencies in Training Job Order charges (specifically sales tax) existed.

We recommended the District review the sales tax ruling provided by the Florida Department of Revenue with the appropriate staff, specifically sales tax should be collected whenever parts were involved.

Management provided training to staff including sales tax matters.

It appears George Stone is now applying sales tax consistently on Training Job Orders.

The individual requesting service and the ownership of the vehicle was not verified to be a student or School Board employee.

We recommended the District consider implementing the following practices when issuing the Training Job Order:

- a. Verify the customer is either a George Stone student or District employee. If the customer is a non-profit agency, obtain required proper administrative approval.
- b. Include the customer's District badge number and/or last four-digits of his/her social security number on the Training Job Order.
- c. Verify vehicle ownership from the vehicle's Vehicle Registration.
- d. Obtain the vehicle identification number (VIN) from the Vehicle Registration and list on the Training Job Order.
- e. Make a photocopy of the Vehicle Registration and attach to the Training Job Order.

Management provided training to staff including instruction that employee or student verification by either employee ID badge or student look-up in TERMS would take place prior to issuing a Training Job Order. In addition, management purchased a high-speed scanner to scan Training Job Orders, vehicle registrations, and employee ID badges or student driver licenses. The scanning of the documents takes place as the customer receives the Job Training Order. The scanned files are located in the network "shared folder" with a naming convention that allows for look up by date, owner or training job order number.

It was found that the scanner did not always work, scanning was not performed consistently, and labeling of the scanned items was not consistent. These scanning issues were discussed with GSTC IT personnel and the Principal.

Training Job Orders were not properly completed.

We recommended the following:

- the instructor list all parts separately on the Training Job Order which would allow for customer verification,
- the instructor provide a more thorough description of service requested,
- if services were needed that were not included in the original description of services requested, then the additional services should be documented on the Training Job Order.

Management provided training to staff including proper completion/requirements of Training Job Orders. Completion/requirements incorporated recommendations to list parts individually on the Training Job Order, sufficient description of training job service, and to denote any added services on the Training Job Order.

It appears instructors now understand and implement policies and procedures regarding proper completion/requirements of Training Job Orders.

“Blanket” Purchase Orders did not include proper wording.

We recommended, “Blanket” Purchase Orders include the added wording “parts for job orders”; thereby, allowing the Principal the opportunity to authorize such purchases.

Management provided training to staff including proper completion/requirements of “Blanket” Purchase Orders. In addition to the wording “instructional supplies”, staff was instructed to include the wording “parts for job orders” on the appropriate “Blanket” Purchase Orders.

It appears “Blanket” Purchase Orders now include proper wording to include both “instructional supplies” and “parts for job orders”.

Not all invoices were assigned to a specific “Blanket” Purchase Order.

We recommended routine examination of the running balances of active “Blanket” Purchase Orders. This procedure would help prevent overspending those purchase orders and allow for issuance of additional “Blanket” Purchase Orders prior to new orders being placed.

Management provided training to staff including instructions to maintain a “running balance” of purchase orders to ensure that purchase orders would not be overspent. In addition, training was given to the bookkeeper to make certain that all invoices were assigned to a purchase order.

It appears invoices are now assigned to a specific “Blanket” Purchase Order.

Vendor invoices were not submitted properly.

We recommended all vendor invoices be submitted to bookkeeper immediately upon receipt.

Management provided training to staff including submission of invoices. Specific instructions were given to the bookkeeper to make certain that all invoices were assigned to a purchase order that was linked to a Job Training Order.

It appears vendor invoices are now submitted properly/timely.

Funds were collected by instructors.

We recommended the Principal review George Stone's Faculty Handbook for guidance on the proper methods for receiving of monies and to instruct school staff of policy stating all monies be remitted to the Cashier's office/bookkeeper directly by the customer.

Management provided training to staff including proper payment of Training Job Orders. In addition, the Faculty Handbook was reviewed with all staff members to ensure that all instructors had a complete understanding that the bookkeeper (or Cashier's office) was the only person that should receive payment and issue the appropriate receipt for Job Training Orders.

It appears the bookkeeper/cashier now receives payment directly from the customer and issues the appropriate receipt for Job Training Orders.

Monies Collected Forms were not properly completed.

We recommended the customer sign the MCF indicating they were present while the bookkeeper counted and verified the funds. The bookkeeper would then countersign the MCF acknowledging receipt of the funds and correctness of count. The yellow copy of the MCF would then be given to the instructor for his files.

Management provided training to staff including proper completion of the Monies Collected Forms as it relates to the customer signing the MCF.

It appears customers are now signing the MCF when remitting payment to the bookkeeper/cashier.

The Training Job Order number was not consistently listed on Monies Collected Forms.

We recommend the Training Job Order number be listed on all associated MCFs.

Management provided training to staff including consistently listing the Training Job Order number on the Monies Collected Forms.

It appears the Training Job Order number is now being listed consistently on associated MCFs.

There was no evidence of student assigned to job.

We recommended the student(s) assigned to a specific job be listed on the Training Job Order. This would provide support of a student's required hours and assist in the instructional process should additional service be required.

Management provided training to staff to ensure that students who were assigned to the job be listed on the Training Job Order.

It appears students assigned to the job are now being listed on the Training Job Order.

There was no evidence of service performed by student.

We recommended the student(s) sign the Training Job Order to indicate work performed and promote accountability.

Management provided training to staff to ensure that students who actually performed the work be listed on the Training Job Order.

Although students are not signing the Training Job Order to indicate work performed, students are now listed indicating both assignment and work performed.

There was no evidence indicating instructor's review and approval of service performed.

We recommended the instructor indicate the work performed has been reviewed and is satisfactorily completed by initialing or signing the Training Job Order.

Management provided training to staff including instructors signing the Training Job Orders indicating that the work performed by students was completed satisfactorily.

It appears instructors are now indicating work performed has been reviewed and is satisfactorily completed as evidenced by initialing or signing the Training Job Order.

Training Job Orders were not updated while work was being performed.

We recommended the instructor update the Training Job Order *during* the process of performing the service. This would negate the risk of leaving parts used on the vehicle off the Training Job Order.

Management provided training to staff including completion of Training Job Orders. In addition, specific instructions were given to maintain a complete and detailed parts list on the Training Job Order of all parts used during the service.

It appears parts used are now being listed on the Training Job Order during the process of performing the service.

Customer did not review a list of parts used to confirm they coincided with the agreed-upon services.

We recommended the customer verify parts listed on the Training Job Order. The customer should initial or sign the Training Job Order to indicate the parts coincide with the services rendered. This would serve as a third-party confirmation that the parts ordered were applied to a specific job order.

Management provided training to staff including the requirement of having the customer initial the complete and detailed parts list on the Training Job Order.

It appears customers are now reviewing the parts used for their service as evidenced by their initials/signature on the Training Job Order.

Customer did not receive a copy of the Training Job Order.

We recommended the customer receive a copy of the Training Job Order. This would allow the customer to review the service performed on his/her vehicle and the amount(s) charged.

Management provided training to staff concerning proper distribution of the carbonless copies of the Training Job Orders including the requirement of having the customer receive one copy upon final payment at the completion of the service.

It appears customers are now receiving the yellow copy of the Training Job Order upon final payment.

Potential existed for vehicles to be released to customer prior to final payment being made.

We recommended the customer receive a copy of the Training Job Order, marked as paid, when making final payment. The customer would present this copy to the instructor as proof of payment. This would serve as the indicator to release the vehicle.

Management provided training to staff concerning proper distribution of the carbonless copies of the Training Job Orders including the requirement of having the customer receive one copy that is marked PAID upon final payment at the completion of the service.

It appears customers are now receiving the yellow copy of the Training Job Order marked PAID upon final payment. This is then presented to the instructor for release of their vehicle.

Property was not secured.

We recommended the gate between the automotive buildings be locked at all times. Once permission was granted from the instructor, the gate could be unlocked and the authorized vehicle would be permitted to enter/exit this area.

Management moved the pad lock for the gate to the auto service/auto collision compound to allow the gate to be locked in such a fashion that prevents vehicles from passing but allowing for pedestrian movement. The auto instructors were instructed to keep the gate locked at all times and to allow only authorized vehicles into the area.

It was found the auto compound has a chain link fence/gate on wheels with a pad lock attached; however, the gate was not locked. This creates the risk that the gate could be opened and property removed, as well as, access by unauthorized vehicles/personnel. This continued issue was discussed with the Principal.



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