



"Making a Positive Difference"

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December 16, 2008

George Stone Technical Center – Follow Up
Industrial Division - Cosmetology

EXECUTIVE SUMMARY

We performed a program audit for George Stone Technical Center – Cosmetology for the period fiscal year ended June 30, 2007 and July 1 – October 17, 2007. Our report, dated November 15, 2007, included four 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 16, 2008 to determine if each finding had been addressed.

Overall, it appears that George Stone Technical Center – Cosmetology has provided the necessary training and implemented the procedures needed to comply with District policy and procedures and to strengthen internal controls for all four findings.

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.

Monies Collected Forms were not utilized.

We recommended the instructor include a properly completed Monies Collected Form when remitting monies to the bookkeeper. We also suggested having the District examine the computer report listing cosmetology receipts to determine if it would be an acceptable means of remitting funds to the bookkeeper. The District should then review the policy regarding receipt of monies and consider including such wording as "...MCF or other acceptable form of documentation".

Management provided training to staff via a PowerPoint presentation including completion of the Monies Collected Forms.

It appears Monies Collected Forms are now being utilized.

There was a lack of an inventory management/control system for cosmetology products.

We recommended implementation of an inventory management/control system for cosmetology products. One suggestion was to have instructors and/or cosmetology

students sign an Inventory Log to check out products from the supply room as products were needed and used. At the end of class, the instructors and/or students would return the products to the supply room documenting the unused portion on the Inventory Log.

The principal met with the cosmetology instructors, internal auditor, and bookkeeper and it was determined that the dispensing of the most commonly used items in 1 oz disposable cups from a bulk size (1 gallon) container from a central location while keeping the store room locked would satisfy this recommendation. However, an inventory log would be kept in the storeroom to maintain a current balance of consumable supplies. Additionally, single use items such as dyes would be kept in a secured cabinet and accessed only by the instructor. As such, the cosmetology instructors would also maintain a log of the single use items.

It appears an inventory management/control system was implemented. Access to the main supply room has now been restricted to the instructors, inventory counts are done more often, and instructors provide students with daily used items.

Funds collected were left with bookkeeper prior to verification.

We recommend funds collected by the cosmetology department remain with the cosmetology department until such time when the person remitting the funds could be present while the bookkeeper counted and verified the funds. The bookkeeper would then countersign a properly completed MCF acknowledging receipt of the funds, correctness of count, and return the yellow copy of the MCF as a receipt.

Management purchased and installed a small safe in the cosmetology department to secure funds until they could be presented to the bookkeeper.

It appears the person remitting cosmetology funds is now present while the bookkeeper counts and verifies the funds. The bookkeeper countersigns the MCF and the yellow copy of the MCF is given as a receipt.

Specific forms were not pre-numbered.

We recommended the white forms used as receipts be pre-numbered. Pre-numbering forms would increase, verify all forms are accounted for and ensure all services performed are billed and collected. We also recommended these white receipts be given to the bookkeeper when remitting those funds collected. They should be kept on file with the receipts for that school year for review by the auditors.

Management pre-numbered all cosmetology “white” form receipts. Management also gave instruction for those forms to be presented to the bookkeeper with the monies collected and retained for future audit review.

It appears the “white” forms used as receipts are now pre-numbered, being retained, and presented to the bookkeeper when monies are remitted to bookkeeper.

A handwritten signature in black ink that reads "David J. Bryant". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

David J. Bryant, Director
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