



"Making a Positive Difference"

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Memorandum

TO: Malcolm Thomas, Superintendent

FROM: David J. Bryant, Director
Office of Internal Auditing

DATE: February 28, 2011

SUBJECT: Montclair Elementary School
Interim Internal Accounts Audit

Per your request, we conducted an interim audit of the internal accounts for Montclair Elementary School (Montclair) for the period ended December 2010. As a result of our audit, we noted numerous compliance violations. In our opinion, the majority of the transactions were not processed in accordance with all applicable Florida Statutes, State Board of Education rules, and/or policies and procedures of the School Board. It does appear all collections were deposited. It should be noted the secretary position was vacant through the summer, and was not filled until October 2010.

DETAILED RESULTS

We tested 100% of the receipt/deposit, disbursement, transfer, adjustment, and other cash-related transactions processed by Montclair for the period audited. The results of our audit are as follows:

Compliance Violations

Receipts/Deposits

We tested collections consisting of 11 receipts and 9 deposits. The compliance violations noted were:

- Seven receipts did not include a Monies Collected Form (MCF).
- Two receipts included MCFs with missing information.
- Two Official Receipt forms were missing.
- Two deposits did not include a validated deposit slip.
- One collection bypassed the receipt module in the accounting software and was processed in the deposit module only.

Disbursements

We tested 17 disbursements. The compliance violations noted were:

- Eight disbursements did not indicate prior written approval.
- Three Request for Purchase Order (RFP) forms had missing information.
- Eight disbursements did not include a Purchase Order (PO) when required.
- Six disbursements did not include supporting documentation.
- Three disbursements did not include evidence of receipt of goods.

- Three disbursements posted to the F-6090 Facilities Rental account were for unallowable expenditures for that account.
- One disbursement for a lunch meeting did not include an agenda as supporting documentation.
- Nine checks were processed manually.

Transfers

We tested six transfers. The compliance violations noted were:

- Two Request for Transfers (RFTs) were missing signatures.
- Two charities did not receive the full amount collected on their behalf. The remaining balances of the accounts were transferred to the G-7000 General account.

Cash

We tested six bank reconciliations and the requirements related to the checking account. The compliance violations noted were:

- Two bank reconciliations were not completed timely.
- Two bank reconciliations did not include the preparer's signature.
- Nine disbursements contained only one authorized signature.
- The ending balance of the M-4500 Returned (NSF) Checks account included outstanding items from prior years.

Other

Account sponsors did not receive monthly general ledger reports known as Account Snapshots for review.

Conclusion

Montclair Elementary has numerous compliance violations requiring correction. The majority of the transactions were not processed in accordance with all applicable Florida Statutes, State Board of Education rules, and/or policies and procedures of the School Board.

The Secretary has access to the Internal Funds Policy Manual. In addition, we discussed with the Secretary and the Principal the policies and procedures associated with each area audited. We will perform a follow-up on the results of this interim audit prior to the school's year end.

DJB/mak

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