



*"Making a Positive Difference"*

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## Memorandum

TO: Thomas Rollins, Principal  
George Stone Technical Center

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

DATE: June 5, 2012

SUBJECT: GSTC Financial Aid – Operational Review

Thank you for your pro-active approach and request for our assistance in determining the procedures surrounding the financial aid process at George Stone Technical Center (GSTC). We have completed our operational review of that process. This memo contains the results and recommendations of our review.

### Background

Financial aid is money from various sources made available to assist eligible students in paying for the costs of their education. There are numerous types of financial aid available to prospective students, including the Title IV Federal Pell Grant (Pell Grant). Our operational review concentrated on the procedures surrounding the Pell Grant. The amount of federal financial aid a student receives depends on the student's Expected Family Contribution (EFC), cost of attendance, enrollment status, enrollment date and whether the student attends school for a full academic year. Students must maintain satisfactory attendance and satisfactory academic progress for federal financial aid. Currently there are approximately 312 students with Pell grant awards attending GSTC.

### Objective(s)

The objectives of this review were (1) to document the financial aid process; (2) to ensure staff is completing all required procedures as it relates to financial aid; and (3) to determine whether the entity has an adequate management control system for measuring, reporting, and monitoring the financial aid process. In addition, we were (4) to compile any financial information you determined to be necessary, if feasible.

### Scope

The scope of this review included the procedures demonstrated during this current school year.

### Methodology

To document and determine the procedures as it relates to financial aid, members of GSTC staff were interviewed. The staff members interviewed were personnel from financial aid, bookkeeping, attendance/data entry, and the guidance office. The flow of a student applying for financial aid was documented through each of these areas. A group discussion with these staff members was held (1) to confirm the procedures, (2) to determine if staff was completing all of the required procedures, (3) to determine

whether there are adequate controls in place, and (4) to discuss the feasibility of compiling financial information.

In addition to interviewing staff, the GSTC Catalog & Handbook was examined.

### **Conclusions/Results**

We created a document titled “Federal Pell Grant Procedures” detailing the procedures related to financial aid (specifically Title IV Federal Pell Grants). This document was reviewed by the members of GSTC staff who were interviewed to confirm the processes. The Federal Pell Grant Procedures document is enclosed.

The staff members collectively discussed the processes and determined not all of the required procedures were being completed. During the review, it was determined the Florida Financial Aid (FFA) Disbursement procedures had not been completed since the previous financial aid personnel. In addition, it was determined absent days for attendance records had not been transferred as needed since the previous attendance/data entry personnel. (Note: During the review, both of those procedures were implemented.)

There is no oversight mechanism currently in place to assure proper procedures are being followed.

After discussions with you at the end of our review, it was determined that although financial information could be compiled, it would be more efficient to postpone those efforts until after conversion to the District’s new software system.

### **Recommendations**

We offer the following recommendations:

1. It appears the FFA Disbursement procedures had not been completed since the departure of the previous financial aid personnel. **We recommend** financial aid personnel process the FFA Disbursements on a scheduled, timely-basis.
2. It appears TERMS does not transfer time from one course to another when a student changes courses. This appears to present an issue as it relates to grant payments only when absent or reduced time is involved. **We recommend** attendance personnel manually “move” time from one course to another if there is a time lag between when a change is made in the system compared to the date the transfer occurred (specifically absent or reduced time if indicated).
3. It appears attendance was reported under incorrect course ID numbers when a student changed courses. **We recommend** instructors review the Adult Student Attendance Register for accuracy and indicate any corrections needed (specifically to verify students are listed under the correct course number and if they are showing as part-time/full-time correctly).
4. There appears to be a lack in consistency regarding which departments receive a copy of the GSTC Student Grade Record. **We recommend** a copy of the GSTC Student Grade Record form go to attendance, as well as, financial aid departments.
5. There appears to be a lack of communication and sharing of work schedules/deadlines among GSTC staff. **We recommend** staff members effectively communicate with one another, sharing schedules to know when another department is dependent on their work to be completed in order to proceed with their own duties.
6. There appears to be confusion when to utilize the Student Withdrawal, Follow-up, Re-entry, and Change of Schedule form, as well as, the GSTC Internal form/Grade Sheet. **We recommend** the 4 part Student Withdrawal, Follow-up, Re-entry, and Change of Schedule form always be used allowing all necessary parties to receive a copy. The GSTC Internal form/Grade Sheet can be attached when submitting grades. (Note: this recommendation was made by the staff members).

7. There appears to be a lack of oversight as it relates to the financial aid process. As an oversight tool, **we recommend** a monthly schedule, identifying specific dates as deadlines, be prepared for all departments involved in the financial aid payment process.

**Statement on Auditing Standards**

Our review was conducted in accordance with International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

DJB/mak

**AUDIT TEAM**

Michele Kiker, Senior Auditor

**Enclosures**

- c: Without Enclosures  
Audit Committee  
School Board Members  
Malcolm Thomas, Superintendent  
Norm Ross, Deputy Superintendent  
Lesla Morgan, Director - Workforce Education

**Michele Kiker - Re: GSTC Fin Review - DRAFT**

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**From:** Thomas Rollins  
**To:** Kiker, Michele  
**Date:** 6/10/2012 9:39 PM  
**Subject:** Re: GSTC Fin Review - DRAFT  
**CC:** Bryant, David

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Michele,

I have read the report and find it to be in line with what we discussed after your visit. I will be meeting with our group and addressing each of the items listed in your report. We will make sure that the needed procedures are being followed and that we are all on the same page in using the process. I will meet with our teachers in the fall to make sure that our faculty understands expectations as well. Thank you again for your professional and thorough work here. You have been a real asset to our school!

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>>> Michele Kiker 06/08/12 9:27 AM >>>  
Good Morning, Mr. Rollins,

Attached is a DRAFT copy of our "report" (Memo). We issue a draft copy first to you only. This is for your review to offer any comments or changes that may be necessary. Afer one week, if we have not heard from you, we will issue copies to the persons noted at the bottom of the Memo.

Also attached is the procedures document. If you find changes or additional explanations are needed, please let me know asap.

I thank you for your time and the opportunity to serve you.  
Thank you.  
Michele

*Michele Kiker*, CFE, CGAP

Senior Auditor   
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"Integrity is doing the right thing when no one else is watching"