



Pensacola High School
Audit of School Internal Accounts
For the Year Ended June 30, 2016

Office of Internal Auditing
Month Year

David J. Bryant, CPA, CIA, CFE, CGFM, CRMA
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Audit Team:
Brad Mostert
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Preface

The Office of Internal Auditing serves to improve the fiscal accountability and enhance the public's perception of the management and operations of the Escambia County School District. This engagement strives to meet those objectives.

Audits, reviews, and other engagements are determined through a District-wide risk assessment process, and are incorporated into the annual work plan of the Office of Internal Auditing, as approved by the Audit Committee. Other assignments are also undertaken at the request of District management.

This engagement was conducted with the full cooperation of Pensacola High School staff and other District personnel.

Any recommendations included in this engagement are designed to improve operations and serve as the basis for informed discussions related to policies and procedures.

This engagement was conducted in accordance with the International Standards for Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors.

We thank the principals, assistant principals, bookkeepers, secretaries, and various support personnel throughout the District for their cooperation and commitment.



Office of Internal Auditing
Escambia County School District
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Executive Summary

PHS received a full audit for the 2015-2016 fiscal year.

Our office audits the internal accounts of the District's schools annually. The authority to conduct these audits is granted in accordance with Florida State Board of Education Rule 6A-1.087 and the Charter for the Office of Internal Auditing.

These audits are conducted on a rotating basis with a sample of schools receiving "full" audits each year, and the other schools receiving "limited" audits. For each full audit, extensive testing procedures are applied to internal funds accounts. Limited audits include cash procedures and reconciliation to independent bank confirmations. For the 2015-2016 fiscal year, Pensacola High School (PHS) received a full audit. This report documents the results of the audit.

The purpose of our audit was to determine whether the financial information reported in the internal accounts reconciles with bank statements and corresponding independent bank confirmations, and to determine compliance of transactions included in those same internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. We also sought to determine whether any instances of non-compliance were severe enough to render the financial information reported by the school unreliable. We believe our audit provides a reasonable basis for our opinion, findings, and recommendations.

Five adjusting journal entries were recommended.

Our audit procedures indicated matters which required adjustment of the school's records. Five adjusting journal entries were necessary:

- To reverse an improper transfer from the Senior Class account to the Freshmen Class account.
- To transfer the balance of the Senior Class account as of year-end to the General account.
- To correct the remaining balance in the Reimbursable by District account created by failing to process three reimbursement requests for expenses from the 2014-2015 fiscal year.

These journal entries were processed by the bookkeeper in the following school year.

Additional journal entries are expected.

Additional journal entries are expected to be processed in the following school year by District personnel to address matters related to the L2121 Accounts Payable account. See comment below.

Our testing resulted in seven

audit findings.

The school's overall fund balance as of June 30, 2016 was \$84,756.94.

Our testing resulted in seven audit findings:

- The bookkeeper and principal failed to exercise appropriate financial oversight regarding deficit balances.
- Disbursements/expenditures lacked initials and dates on receiving slips or invoices as evidence of receipt of goods.
- Request Purchase Utilizing Purchasing Card forms were not properly completed.
- Late fees and finance charges were paid.
- Monies Collected Forms (MCFs) were not properly completed.
- Fundraiser Request/Reconciliation forms were not properly completed.
- The L2121 Accounts Payable account was not utilized properly and had a debit balance at year-end that was considered material.

The overall fund balance reported by the school at June 30, 2016 was \$84,756.94. We have determined that the financial information reported by the school reconciles with bank statements and independent bank confirmations.

While not necessarily indicative of a problem, we did note an approximate drop of 36% in the overall fund balance of the school, which is unusual. While we always encourage schools to spend down excessive balances, historically yearly receipts approximate expenditures and beginning and ending balances remain relatively consistent.

We also noted that as of the start of the current fiscal year, July 1, 2015, the school had 16 accounts with a deficit balance, totaling \$15,320.91. As of the end of the current fiscal year, June 30, 2016, the school had 27 accounts with a deficit balance, totaling \$26,629.50.

It is unclear whether the bookkeeper was aware of these deficit balances and allowed account sponsors to continue spending, or if the issue was brought to the principal's attention and he allowed account sponsors to continue to spend.

We have documented several compliance violations, as noted in the Detailed Results section. These matters appear to be widespread, varied in nature, and material.

The balance of the L2121 Accounts Payable account is expected to be zero at year-end or have a credit balance made up of unpaid June purchases. We noted that the L2121 account had debit balances of \$21,744.53 and \$24,476.53 in the prior and current years, respectively. Debit balances spanning multiple years indicate errors, unrecorded transactions, and/or a continued failure to follow District policy, along with an overall lack of

The financial information reported by the school cannot be relied upon.

financial oversight.

The debit balance in the L2121 account also indicates that all the associated individual accounts for which charges were made are inaccurate. The only way to correct this balance, is to record charges to their individual expense accounts, and offset with a credit to the L2121 account.

Individual accounts did not contain all financial activity; and were not monitored properly, as account sponsors did not detect the discrepancies. District personnel are assisting the bookkeeper in resolving the various discrepancies mentioned above for the L2121 account. These matters will require a significant amount of District resources, as they span multiple fiscal years and involve hundreds of transactions that represent hundreds of thousands of dollars. As such, this analysis is not complete at the time this report was issued. The exact extent of the impact to this account and others at the school is unclear.

Given the widespread and material compliance violations, and the unknown extent of the L2121 account discrepancies, we consider the financial information reported by the school unreliable.

This report contains recommendations. The Executive Summary is intended to highlight the various aspects of the report. The full report should be read to understand the basis of our recommendations. We will follow up on these recommendations approximately 90 days after the school's exit conference.

Background

Each year, our office audits the District's schools' internal accounts. The authority to conduct these audits is granted in accordance with Florida State Board of Education Rule 6A-1.087 and the Charter for the Office of Internal Auditing.

School internal funds are defined in the Internal Funds Policy Manual (the Manual) as "all monies collected and disbursed by school personnel within a school, for the benefit of the school, or a school sponsored activity." As further explained in the Manual, "School internal funds shall be used to supplement activities approved by the school board when the District budgetary funds are not available or have been exhausted." More plainly, internal funds include everything from money found on campus to collections from ticket sales for athletic events.

Each year, District schools receive either a "full" audit (including all

Outside support organizations are not included in this report and are not audited by our office.

procedures listed in the Methodology section below), or a “limited” audit, where only certain procedures are performed (such as obtaining third-party confirmation for all cash and investment accounts and reconciliation of bank statements and confirmations). For the 2015-2016 fiscal year, PHS received a full audit.

Outside support organizations (school booster clubs and parent teacher associations) affiliated with this school that operate independent of a school’s internal accounts **are not included** in this report and **are not audited** by the Office of Internal Auditing.

PHS last received a full audit in the 2013-2014 fiscal year. There were two matters that rose to the level of an audit finding. There were findings related to deposit timeliness and proper procedures for fundraising activities, which were determined to be addressed adequately during a subsequent follow-up.

School administration has been consistent.

The school has had the same principal and bookkeeper in place since the previous audit.

Objective

The purpose of our audit was to determine whether the financial information contained in the internal accounts reconciles with bank statements and corresponding independent bank confirmations, and to determine compliance of transactions included in those same internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. We also sought to determine whether any instances of non-compliance were severe enough to render the financial information unreliable.

We have conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditing, and have planned and performed our audit to obtain reasonable assurance that transactions were made in accordance with applicable policies and laws and that the financial information presented is reliable.

We believe our audit provides a reasonable basis for our opinion, findings, and recommendations.

Scope

State Board of Education Rule 6A-1.087 states that the School Board is responsible for the administration and control of school's internal accounts and in connection therewith shall provide for an audit of those accounts. Pursuant to this rule, we have audited the financial transactions of the internal accounts of the school as of and for the fiscal year ended June 30, 2016. These accounts are the responsibility of the principal of that school.

Methodology

The audit consists of three phases: planning, fieldwork, and reporting.

Each audit consists of three phases, containing specific steps to ensure it is done in accordance with professional standards and current accepted practice.

The Planning Phase

The planning phase serves as the initial stage of an audit, where the auditor determines which schools are audited, ensures his or her independence, assesses the overall control environment and risk factors, and selects the samples of transactions to be tested.

School Sample

Rather than auditing 100% of schools each year, a system of rotation is utilized that is based primarily on school classification (i.e., elementary, middle, high).

Ensuring Independence

An independence statement is completed for each school. This statement contains the signature of each auditor certifying that there are no conflicts of interest and that they are free from bias. **No known conflicts were identified.**

Control Risk Assessment

At the beginning of each audit, the two prior audits and work papers, as well as any follow-up audits, are reviewed. We also determine whether there have been any significant personnel changes (i.e., principal, secretary/bookkeeper).

Each school's secretary/bookkeeper and principal are given internal control questionnaires to complete prior to their audit beginning. We review the responses, and discuss any items of concern with the appropriate staff. These questionnaires represent only a portion of our

No known conflicts of interest were identified.

Control Risk for PHS has been assessed at moderate.

assessment of the overall control environment.

Based on our experience with the school, control risk is assessed at moderate. Therefore, our audit procedures are limited to those in the audit program. If control risk is assessed at a level higher than moderate, additional procedures may be performed.

Transactional Samples

Statistical sampling for attributes has been chosen. This method allows conclusions to be drawn about the population based on statistical inference. If after testing we determine the sample does not provide adequate coverage of the total population, auditor judgment and discussion with the Director of Internal Auditing are used to determine whether additional sampling methodologies are necessary (judgmental sampling, whole population, etc.).

The Fieldwork Phase

The fieldwork phase involves transactional testing of the school's internal accounts. The items in each of our samples are tested for compliance with applicable Florida Statutes, State Board of Education Rules, Board Policies, contract terms and conditions, and grantor restrictions.

For our purposes, exceptions of greater than or equal to 20% of the total population may exist before an audit finding is issued.

While performing our testing, a percentage of transactions is allowed to contain compliance violations before it is determined to be an audit finding. For our purposes, an audit finding is a recurring issue that is present in greater than or equal to 20% of the sample. In addition, due to seriousness or materiality, a single compliance violation could also result in an audit finding.

Upon the completion of fieldwork, exit conferences to discuss the results of the audit are conducted with principals and secretaries/bookkeepers, if necessary.

The Reporting Phase

Upon the completion of the planning and fieldwork phases of an audit, the results of those phases are compiled into an easily readable and understandable format (i.e., the audit report). The report is presented to, and approved by, the Audit Committee and the School Board at the end of each audit cycle.

Financial information from full audits is combined with information from limited audits and compiled into a District-Wide Report on Internal Accounts.

Detailed Results

Summary of Fund Activity	
Beginning Cash Balance, 7/1/2015	\$ 131,412.88
Total Receipts	487,280.58
Total Disbursements	(243,678.49)
Total Net Journal Entries	<u>(290,258.03)</u>
Ending Cash Balance, 6/30/2016	\$ 84,756.94
Audit Adjustments	-
Ending Fund Balance, 6/30/2016, Per Skyward	<u>\$ 84,756.94</u>
Cash Balance per Confirmation(s)	\$ 94,450.29
Outstanding Deposits	-
Outstanding Checks	(10,543.35)
Other Reconciling Items	<u>850.00</u>
Ending Fund Balance, 6/30/2016, Per Confirmation(s)	<u>\$ 84,756.94</u>

Five adjusting journal entries were recommended.

We noted five adjusting journal entries that were necessary:

During fieldwork, we recommended a journal entry be processed for \$994.73 to reverse an improper transfer from the C3150 Senior Class account to the C3120 Freshmen Class account.

We also recommended a journal entry be processed for \$507.47 to transfer the balance as of year-end in the C3150 Senior Class account to the G7000 General account.

We also recommended three journal entries be processed for a total of \$564.27 to transfer the remaining balance in the F6255 Reimbursable by District account created by the failure to process three separate reimbursement requests in a previous year.

All recommended journal entries were processed.

After fieldwork, but prior to the issuance of this report, the school implemented our recommendations to process all journal entries mentioned above.

One finding related to a lack of financial oversight and deficit balances.

Findings

Financial Oversight - Deficit Balances

Our testing indicated that as of the start of the current fiscal year, July 1, 2015, there were 16 accounts with a deficit balance, totaling \$15,320.91. As of the end of the current fiscal year, June 30, 2016, there were 27 accounts with a deficit balance, totaling \$26,629.50.

It is unclear whether the bookkeeper was aware of these deficit balances and allowed account sponsors to continue spending, or if the issue was brought to the principal's attention and he allowed account sponsors to continue to spend.

Section I, A.6 & A.7 of the Internal Funds Policy Manual states, "Purchases from internal funds shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by school board rule. No school should incur a debt that cannot be paid off by the close of the current school year."

The bookkeeper's (Senior School Finance Specialist) essential job functions include, "Reviewing all requests for purchases to ensure compliance with budgetary parameters and school policy."

See our recommendations in the Recommendations section below.

One finding related to a lack of evidence of receipt of goods.

Evidence of Receipt of Goods

Our testing indicated invoices/packing slips used as supporting documentation for expenditures did not include evidence indicating receipt of goods. This evidence would include a signature, verifying the quantity of the items ordered, and a date, indicating when the goods were received.

The Internal Funds Policy Manual gives specific guidelines regarding documentation for expenditures. Section VIII, D of the Manual states, "When the items purchased are received, the goods should be checked to ensure the items are correct and not damaged. The person receiving the items should initial and date the receiving slip or invoice to document their review and that all items ordered were received."

See our recommendation in the Recommendations section below.

One finding related to a lack of prior written approval with credit cards.

Request Purchase Utilizing Purchasing Card Form

Our testing indicated that credit card expenditures were made prior to written approval being received.

The Internal Funds Policy Manual gives specific guidelines concerning the prior approval of purchases. Section VIII, A of the Manual states, "All disbursements require prior written approval of the Principal or his/her designated representative. 'Prior written approval' may consist of a properly completed Purchase Requisition/Request for Purchase Order, or a properly prepared Internal Funds Purchase Order. This must be done before the item is ordered and funds are obligated."

One finding related to late fees and finance charges.

See our recommendation in the Recommendations section below.

Late Fees/Finance Charges

Our testing indicated that \$283.12 in late fees and finance charges were assessed and paid during the fiscal year.

Section VIII, E.2(g) of the Manual states, "Bookkeeper/Secretary issues a check or makes payment to Compass by ACH for all charges in the billing cycle."

Sound general business practices include paying for purchases in a timely manner to avoid service charges or late charges. The District expects all payments to be made timely to avoid service charges and late charges. An email was sent on October 7, 2014 by District personnel to all secretaries/bookkeepers as a reminder that credit card payments must be paid by the last day of the month to avoid late fees and finance charges.

See our recommendation in the Recommendations section below.

One finding related to proper completion of MCFs.

Monies Collected Forms

Our testing indicated that receipts included MCFs that were not properly completed.

The Internal Funds Policy Manual gives specific guidelines to be followed for the receipt of monies. These guidelines mention specific procedures to be followed concerning indication of whether the monies were remitted in cash or check, requirements of the teacher or sponsor to sign the monies collected form, and verification by the Secretary/Bookkeeper of the monies collected and the counter signature on the forms. Section VI, B of the Manual states, "Erroneous information may be invalidated by drawing a single line through it and entering the correct information above the error and initialing the correction." Section VI, A.2 of the Internal Funds Policy Manual states "All money received by the school must be substantiated by using a Monies Collected Form (MCF) and an Official receipt."

See our recommendation in the Recommendations section below.

One finding related to fundraising activities.

Fundraising Activities

Our testing indicated that fundraising activities had Fundraiser Request/Reconciliation forms that were not completed properly.

Chapter 8 Section III, 4.4 of the State Board of Education Rules states all fundraisers shall be planned to finance a specific objective and have the approval of the organization sponsor and the principal. In addition, the

principal shall maintain control over the activity. The requirements of the rule are met through the proper completion of the Fundraising Request/Reconciliation Form.

The Fundraising Guidelines Handbook approved by the School Board explains the use of the Fundraising Request/Reconciliation Form. The Handbook states, "Completing Section I of this form will document the authorization of the fundraiser...At the conclusion of your fundraiser, complete Section II of the Fundraising Request/Reconciliation Form...Review school internal funds reports to verify accuracy of postings to your account...Evaluate the success of your fundraising activity."

See our recommendation in the Recommendations section below.

One finding related to the proper utilization of the L2121 Accounts Payable account and its ending balance.

L2121 Accounts Payable

District year-end procedures require all schools to reconcile their L2121 Accounts Payable account and post final payments prior to the close of each fiscal year. As such, the balance at the beginning of each year should be zero. We noted that the L2121 account had debit balances of \$21,744.53 and \$24,476.53 in the prior and current years, respectively. While minor timing discrepancies between the close of year-end and the processing of payments is expected, continued discrepancies spanning multiple years indicate errors, unrecorded transactions, and/or a continued failure to follow District policy, along with an overall lack of financial oversight.

The debit balance in the L2121 account also indicates that all the associated individual accounts for which charges were made are inaccurate. The only way to correct this balance, is to record charges to their individual expense accounts, and offset with a credit to the L2121 account.

Individual accounts did not contain all financial activity; and were not monitored properly, as account sponsors did not detect the discrepancies.

The District has established an internal control whereby account sponsors are to review their account activity each month, and attest to each account's completeness and accuracy by initialing a monthly account log. It is clear that the individual accounts did not contain all financial activity; however, the monthly log was completed by the account sponsors. It does not appear that the accounts were effectively monitored.

Section VIII, E, (2) (e) of the Manual states, "Bookkeeper/Secretary makes the appropriate journal entry into the Skyward accounting system to record at the time of purchase using the Accounts Payable account L2121

to encumber the funds in the proper internal funds expense account.”

See our recommendations in the Recommendations section below.

District personnel are assisting the bookkeeper in resolving the various discrepancies mentioned above for the L2121 account, with journal entries to be processed during the following school year. These matters will require a significant amount of District resources, as they span multiple fiscal years and involve hundreds of transactions that represent hundreds of thousands of dollars. As such, this analysis is not complete at the time this report was issued. The exact extent of the impact to this account and others at the school is unclear.

Opinion

Our opinion is divided into two major areas: whether or not the financial information reported by the school reconciles with corresponding bank statements and independent bank confirmations; and an assessment of the compliance of transactions included in the internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. An overall assessment is also made as to whether any instances of non-compliance were severe enough to render the financial information unreliable. We believe our audit provides a reasonable basis for our opinion, findings, and recommendations.

We have determined that the financial information reported reconciles with bank statements and independent bank confirmations.

We have documented several compliance violations, as noted throughout this report. These matters appear to be widespread, varied in nature, and material.

Given the widespread and material compliance violations, and the unknown extent of the L2121 account discrepancies, we consider the financial information reported by the school unreliable.

The school’s financial information cannot be relied upon.

Recommendations

Financial Oversight – Deficit Balances

In an effort to address the lack of financial oversight present at the school, the principal developed, and responded with, an action plan.

As correcting entries are made to L2121, re-evaluate the school's accounts for deficit balances.

Account sponsors should be mindful of deficit balances and ensure that their accounts have adequate funds for future needs.

Review policies and procedures related to the evidence required to show receipt of goods.

Review policies and procedures related to prior written approval.

Review policies and procedures and ensure purchasing card statements are paid in full.

Determine appropriateness of requiring bookkeeper to reimburse the school.

Review policies and procedures related to the proper completion of MCFs.

Review policies and procedures related to fundraising activities.

As the adjusting entries necessary to correct the L2121 discrepancies have not been posted at the time of issuance, **we recommend the principal and bookkeeper perform a re-evaluation of the school's accounts once these adjusting entries are made. The entries may exacerbate the deficit balances, and the action plan may need to be revised.**

General Ledger Review

In an effort to address the deficit balances in various accounts, **we recommend that account sponsors review their accounts with deficit balances in mind so as to ensure that their accounts have adequate funds for future purchases.**

Evidence of Receipt of Goods

In an effort to address the lack of evidence for the receipt of goods shipped to the school, **we recommend that the principal and bookkeeper review the Internal Funds Policy Manual and instruct school staff on the proper procedures for demonstrating proper evidence of the receipt of goods.**

Proper Utilization of the Request Purchase Utilizing Purchasing Card Form

In an effort to address the lack of prior written approval related to credit card purchases, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct school staff on the proper procedures related to credit card purchases, including prior written approval.**

Payment of Late Fees and Finance Charges

In an effort to address the payment of late fees and finance charges, **we recommend that the bookkeeper review the Internal Funds Policy Manual and ensure that purchasing card statements are paid timely.**

We also recommend that the principal determine whether it is appropriate to have the bookkeeper reimburse the school for the late fees and finance charges incurred.

Proper Completion of Monies Collected Forms (MCFs)

In an effort to address the improper completion of MCFs, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper completion of MCFs.**

Fundraising Activities

In an effort to address the improper procedures related to fundraising activities, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and the Fundraising Guidelines Handbook**

and instruct school staff on the proper procedures related to fundraising activities.

Continue to work with District personnel to resolve the discrepancies.

Monitor the account to ensure this issue does not continue.

L2121 Accounts Payable

In an effort to address the improper procedures related to the L2121 Accounts Payable account, **we recommend the bookkeeper continue to work with District personnel to resolve the discrepancies in this account.**

We also recommend that the principal and bookkeeper monitor the account's activity to ensure this issue does not continue to occur.

Management Response



PENSACOLA HIGH SCHOOL



Am

David M. Williams
Principal

Jessica Canales
Assistant Principal

Al Marsh
Assistant Principal




"Home of the Fighting Tigers"

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Laura Brewer
IB Coordinator

Casey Thiele
Athletic Director

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

From: David M. Williams, Principal 

Date: January 20, 2017

Subject: Audit of School Internal Accounts 2016

Please be informed I, the principal of Pensacola High School, take full responsibility for the "Financial Oversight – Deficit Balances" of the internal accounts at Pensacola High School during the 2015-2016 school year. I have comprised a plan of action to address the findings, which are attached. Implementation has begun with periodical checkups throughout the school year.

I take the findings very serious, as good financial stewardship is a paramount responsibility of the institutional leader of any educational organization. Reinforcement of the plan with buy-in by the faculty and staff will minimize and reduce recurrence in the future.

SEE ATTACHED ACTION PLAN

DJB
1/23/17

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER
An Escambia County School District School



PENSACOLA HIGH SCHOOL

Jm



David M. Williams
Principal

Alphonse Marsh
Assistant Principal

Jessica Canales
Assistant Principal



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Laura Brewer
IB Coordinator

"Home of the Fighting Tigers"

Pensacola High School
Audit of School Internal Accounts
Plan of Action

AUDIT FINDINGS

Financial Oversight – Deficit Balances – General Ledger Review

The bookkeeper and principal failed to exercise appropriate financial oversight regarding deficit balances.

PLAN OF ACTION

- The principal and bookkeeper will re-evaluate and revise the process of monitoring school accounts.
- The principal will schedule retraining for staff on General Ledger.
- Administration will conduct General Ledger monthly meetings with account sponsors responsible for accounts in good standing or in a deficit to ensure adequate funds are available for future purchases.
- Accounts will be placed in an inactive status until brought current and in good standing.
- Each account sponsor with a deficit account balance will submit to the principal a plan that specifically addresses the details to eliminate deficit balance.

Evidence of Receipt of Goods

Disbursements/expenditures lacked initials and dates on receiving slips or invoices as evidence of receipt of goods.

PLAN OF ACTION

- The principal and bookkeeper will review the Internal Funds Policy Manual and instruct the staff on the proper procedures to provide proper proof and evidence of the receipt of goods.
- Review of procedures will be conducted during pre-school, faculty meetings, and with individual personnel receiving goods.
- Procedures will be posted in Google Docs for personnel to refer to if they have any questions concerning the proper procedures.
- Accounts will placed in an inactive status until proper receipts and packaging slips are received.

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER
An Escambia County School District School

Utilization of the Request Purchase Utilizing Purchasing Card form

Request purchase utilizing purchasing card forms were not properly completed.

PLAN OF ACTION

- The principal and bookkeeper will review the Internal Funds Policy Manual and instruct the staff on the proper procedures related to credit card purchases, including prior written approval.
- Trainings to review procedures will be conducted during pre-school and faculty meetings as well as individually for personnel assigned purchasing cards.
- Prior written approval must be completed by using the Purchase Requisition/Request for Purchase Order forms (this must be done before the item is ordered and funds are obligated).
- Procedures will be posted in Google Docs for personnel to refer to if they have any questions concerning the proper procedures.
- Accounts will be placed in an inactive status when personnel is not abiding by the Internal Funds Policy as it pertains to the use of purchasing cards. Meetings will occur with personnel to address the problem.

Payment of Late Fees and Finance Charges

Late fees and finance charges were paid during fiscal year.

PLAN OF ACTION

- The principal will meet with the new bookkeeper to establish the two days of the month purchasing card statements must be paid to avoid late fees and finance charges.
- The bookkeeper will be required to notify principal immediately if for any reason a payment is not made on the established due dates.
- The bookkeeper will be required to reimburse the school for the late fees and finance charges incurred.

Proper completion of Monies Collected Forms (MCF's)

Monies Collected Forms (MCF's) were not properly completed.

PLAN OF ACTION

- The principal and bookkeeper will review the Internal Funds Policy Manual and instruct staff on the proper completion of MCF's to substantiate all funds received.
- Review of procedures will be conducted during pre-school and faculty meetings, as well as with the individual personnel making deposits.
- Procedures will be posted in Google Docs for personnel to refer to if they have any questions concerning the proper procedures.
- Accounts will placed in an inactive status for personnel not abiding by the Internal Funds Policy as it pertains to proper completion of MCF's

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER
An Escambia County School District School

Fundraising Activities

Fundraiser Request/Reconciliation forms were not properly completed.

PLAN OF ACTION

- The administration and bookkeeper will review the Internal Funds Policy Manual and the Fundraising Guidelines Handbook and instruct school staff on the proper procedures related to fundraising activities.
- Review of procedures will be conducted during pre-school, and during faculty meetings throughout the school year.
- Procedures will be posted in Google Docs for personnel to refer to if they have any questions concerning the proper procedures.
- Accounts will be placed in an inactive status for personnel not abiding by the Internal Funds Policy as it pertains to proper completion of fundraising procedures.

L2121 Accounts Payable

The L2121 Accounts Payable account was not utilized properly and had a debit balance at year-end that was considered material.

PLAN OF ACTION

- The principal and bookkeeper will continue to communicate with District personnel to resolve discrepancies.
- The principal and bookkeeper will monitor the account's activity to ensure all financial activities are recorded in a timely manner so this issue will not reoccur.
- Administration and bookkeeper will advise and instruct sponsors on how to monitor accounts monthly and look for discrepancies by reviewing and initialing a monthly account log which will contain all financial activities.
- The principal will make certain the L2121 account has a "zero" balance on June 30 of each year and will closely monitor the account throughout the year.

SPECIAL NOTES FOR CONSIDERATION

- The principal is exploring opportunities to provide assistance to the high school bookkeeper due to the volume of financial activity at Pensacola High School.
- Pensacola High School will have a new bookkeeper beginning in January 2017.

OK
DJB
1/23/17

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER
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