



R.C. Lipscomb Elementary School
Audit of School Internal Accounts
For the Year Ended June 30, 2016

Office of Internal Auditing
November 2016

David J. Bryant, CPA, CIA, CFE, CGFM, CRMA
Director – Internal Auditing

Audit Team:
Jeremy Williams
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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 R.C. Lipscomb Elementary 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

R.C. Lipscomb Elementary School 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, R.C. Lipscomb Elementary School received a full audit. This report documents the results of the audit.

Three adjusting journal entries were recommended.

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.

Our audit procedures indicated matters that required adjustment of the school's records. Three journal entries were necessary:

- To record unrecorded interest on the school's investment account.
- To transfer amounts recorded in the General fund sub-accounts to the proper accounts.
- To correct improper posting of workshop registration expenses to the Reimbursable by District account.

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

The school's 2011-2012 audit resulted in the identification of several significant deficiencies throughout the internal funds process. As a result, the principal provided additional oversight, including the review of each individual transaction processed by the secretary for accuracy and completeness. A follow-up audit was performed during the 2012-2013 fiscal year, during which no findings were noted. The principal continued

her increased oversight, gradually reducing it to a more appropriate level, feeling confident the secretary was capable of meeting the expectations of her position.

Careless Work Methods

Based on the results of this audit, it appears the secretary failed to develop sufficient work methods and procedures to perform her duties effectively without the increased level of oversight from the principal. The scope of carelessness demonstrated by the secretary was not limited to one, but numerous areas throughout the internal funds process.

Excessive oversight appears necessary.

While we are confident that the secretary possesses the requisite skills, expertise, and experience, it is unclear if she is capable of effectively performing her responsibilities without an exorbitant amount of oversight by school management.

Our testing resulted in seven audit findings.

Our testing resulted in seven audit findings:

- Request for Purchase (RFP) forms were not properly completed.
- Disbursements/expenditures lacked initials and dates on receiving slips or invoices as evidence of receipt of goods.
- Monies Collected Forms (MCFs) were not properly completed.
- Changes made to MCFs were not initialed.
- Deposit composition discrepancies and overall carelessness regarding deposits.
- Fundraiser Request/Reconciliation forms were not properly completed.
- The L2121 Accounts Payable account was not utilized properly.

The school's overall fund balance as of June 30, 2016 was \$96,062.35.

The overall fund balance reported by the school at June 30, 2016 was \$96,062.35. We have determined that the financial information reported by the school reconciles with bank statements and independent bank confirmations.

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 credit balances of \$56.16 and \$65.50 in the prior and current years, respectively; however, these amounts were not easily identifiable as charges made in June but not paid before year-end.

While the above balances appear to be minimal, the balances actually

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

consist of numerous errors including, but not limited to, numerical/mathematical errors, payment posting discrepancies, the failure to post credit card purchases to the school's individual accounts, and posting transactions in groups rather than at the time of purchase.

During fieldwork, we questioned the secretary as to the balance of the L2121 account balance. The secretary recorded 12 adjusting journal entries, totaling \$3,545.05 to address the discrepancies, which not only affect the L2121 account but numerous other school account balances. Unable to resolve the matter, the secretary requested assistance from the District. District-level personnel processed an additional 16 adjusting journal entries, totaling \$5,149.01 to address the remaining discrepancies. All adjusting entries were posted during the following school year. As such, the individual accounts affected were overstated/understated as of June 30, 2016.

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

Given the significant nature and amount of adjusting journal entries required, the widespread and material compliance violations, and the 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 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, R.C. Lipscomb Elementary School received a full audit.

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

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.

During the 2011-2012 fiscal year audit, significant deficiencies in various internal control processes were identified. Due to the level of inaccuracy present in the secretary’s work, we were unable to quantify the effect on the individual accounts at the school and the school’s financial position as a whole. The new principal took it upon herself to become more involved with the day-to-day operations related to internal accounts during the 2012-2013 fiscal year. Due to a subsequent follow-up audit performed in the 2012-2013 fiscal year that resulted in no findings, the principal reduced her additional oversight to a more appropriate level.

The compliance matters tested in 2011-2012 and 2012-2013 were also tested during this audit.

School administration has been consistent.

The school has had the same principal and secretary 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

No known conflicts of interest were identified.

Control Risk for R.C. Lipscomb Elementary School has been assessed at moderate.

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

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 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.

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	\$ 87,621.10
Total Receipts	116,052.96
Total Disbursements	(38,128.37)
Total Net Journal Entries	<u>(69,483.34)</u>
Ending Cash Balance, 6/30/2016	\$ 96,062.35
Audit Adjustments	-
Ending Fund Balance, 6/30/2016, Per Skyward	<u>\$ 96,062.35</u>
Cash Balance per Confirmation(s)	\$ 103,720.94
Outstanding Deposits	-
Outstanding Checks	(7,724.59)
Other Reconciling Items	<u>66.00</u>
Ending Fund Balance, 6/30/2016, Per Confirmation(s)	<u>\$ 96,062.35</u>

Three adjusting journal entries were recommended.

We noted three adjusting journal entries that were necessary.

During fieldwork, we recommended a journal entry be processed for \$5.76 to record unrecorded interest for the A1116 Money Market account.

We also recommended a journal entry be processed for \$9,175.69 to transfer the account balances of sub-G7000 accounts to G7000 General account and to transfer donations received for a specific purpose to the F6081 Donations-Restricted account.

We also recommended a journal entry be processed for \$958.06 to correct the improper posting of a workshop registration expense posted to the F6255 Reimbursable by District account.

All recommended journal entries were processed.

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

During the 2011-2012 fiscal year audit, significant deficiencies in various internal control processes were identified. Due to the level of inaccuracy present in the secretary's work, we were unable to quantify the effect on the individual accounts at the school and the school's financial position as a whole. The new principal took it upon herself to become more involved with the day to day operations related to internal accounts during the 2012-2013 fiscal year. The principal reviewed each individual transaction processed by the secretary for completeness and accuracy. Due to this increased level of oversight, the subsequent audit (2012-2013) resulted in no audit findings. After the results were communicated, the principal reduced her oversight of the secretary's operations to a more appropriate level. Given the experience of the secretary and the additional training and guidance previously provided, it would have been reasonable to expect that the secretary would be capable of effectively processing and maintaining financial records.

Careless Work Methods

Based on the results of this audit, it appears the secretary failed to develop sufficient work methods and procedures to perform her duties effectively without the increased level of oversight from the principal. The scope of carelessness demonstrated by the secretary was not limited to one area, but reached numerous facets of internal funds. Examples of discrepancies due to carelessness include, but are not limited to, a failure to list cash amounts on deposit slips or the overall deposit total, incorrect cash amounts listed on deposit slips, and the failure to write checks on the deposit slips that are included in the overall deposit total.

While we are confident that the secretary possesses the requisite skills, expertise, and experience, it is unclear if she is capable of effectively performing her responsibilities without an exorbitant amount of oversight by school management.

See our recommendation in the Recommendations section below.

Findings

Request for Purchase Forms - Proper Completion

One finding related to the proper completion of RFPs.

Our testing indicated that RFPs were either not present for expenditures, or not properly completed.

This is a repeat audit finding from 2011-2012.

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

The Internal Funds Policy Manual, Section VII, D, states, "No disbursement shall be made without the prior written approval of the Principal.... 'Prior approval' may consist of a **properly completed** Purchase Requisition/Request for Purchase Order form (RFP)." A properly completed RFP includes such fields as the account name and/or number to be charged and the teacher/sponsor signature.

See our recommendation in the Recommendations section below.

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 the proper completion of MCFs.

Monies Collected Forms - Proper Completion

Our testing indicated that MCFs were either outdated or completed improperly.

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.

See our recommendation in the Recommendations section below.

One finding related to corrections made on MCFs.

Monies Collected Forms - Corrections Initialed

Our testing indicated that MCFs did not have changes/corrections initialed by the teacher/sponsor.

Section VI, B of the Internal Funds Policy 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

One finding related to deposit composition and overall carelessness.

correction.”

See our recommendation in the Recommendations section below.

Deposit Composition - Various

Our testing of deposits indicated composition discrepancies and various other matters caused by carelessness. These additional matters included, but were not limited to, a failure to list cash amounts on deposit slips or the overall deposit total, incorrect cash amounts listed on the deposit slips, and the failure to write checks on the deposit slips that are included in the overall deposit total.

This is a repeat audit finding from 2011-2012.

The Internal Funds Policy Manual provides 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. Section VI, B.5 of the Manual states, “When checks are received, the check number should be referenced on the Monies Collected Forms (MCFs). When a separate list of student names is attached to the MCF, the check numbers should be referenced.” Section VI, A.8 of the Manual states, “Each day’s collections must be deposited intact in the bank.” Discrepancies between the composition of receipts per the MCFs and the composition of the deposit slip could indicate the possibility of cashing a personal check or cash substitution.

See our recommendations in the Recommendations section below.

One finding related to fundraising activities.

Fundraising Activities - Properly Completed Forms

Our testing indicated that fundraising activities tested had Fundraiser Request/Reconciliation forms that were either outdated or completed improperly.

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

One finding related to the timeliness of utilizing the L2121 account.

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.

L2121 Accounts Payable - Proper Procedures

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 credit balances of \$56.16 and \$65.50 in the prior and current years, respectively; however, these amounts were not easily identifiable as charges made in June but not paid before year-end.

In reviewing the L2121 account further, we noted various issues including numerical/mathematical errors, payment posting discrepancies, and the failure to post credit card transactions to the school’s individual accounts. Failure to post expense transactions to the individual accounts causes these accounts to be overstated.

During fieldwork, we questioned the secretary as to the balance of the L2121 account balance. The secretary recorded 12 adjusting journal entries, totaling \$3,545.05 to address the discrepancies, which not only affect the L2121 account but numerous other school account balances. Unable to resolve the matter, the secretary requested assistance from the District. District-level personnel processed an additional 16 adjusting journal entries, totaling \$5,149.01 to address the remaining discrepancies. All adjusting entries were posted during the following school year. As such, the individual accounts affected were overstated/understated as of June 30, 2016.

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.

See our recommendation in the Recommendations section below.

Opinion

Our opinion is divided into two major areas: whether or not the financial information reported by the school reconciles with corresponding bank

The school's financial information cannot be relied upon.

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 appears to be widespread, varied in nature, and material.

Given the significant nature and amount of adjusting journal entries required, the widespread and material compliance violations, and the extent of the L2121 account discrepancies, we consider the financial information reported by the school unreliable.

Recommendations

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

Proper Completion of RFPs

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

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

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 secretary and review the Internal Funds Policy Manual and instruct school staff on the proper procedures for demonstrating proper evidence of the receipt of goods.**

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

Proper Completion of Monies Collected Forms – Verification Box

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

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

Proper Completion of Monies Collected Forms - Corrections Initialed

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

Review policies and procedures related to receiving money for deposit.

Deposit Composition – Various

In an effort to address the improper procedures related to deposits, **we recommend the principal and secretary review the Internal Funds Policy Manual for guidance on the proper methods for the receiving of monies and to instruct school staff on the correct procedures for receipts of funds and completion of MCFs; specifically differentiating between cash and checks. We also recommend the secretary ensure re-adding the MCFs and verify the total, plus count the number of checks indicated on the MCFs and compare to the number of checks received and the number of checks listed on the deposit slip.**

Review policies and procedures related to fundraising activities.

Fundraising Activities

In an effort to address the improper procedures related to fundraising activities, **we recommend the principal and secretary review the Internal Funds Policy Manual and the Fundraising Guidelines Handbook and instruct school staff on the proper procedures related to fundraising activities.**

Review policies and procedures related to recording of credit card purchases timely.

Proper Utilization of the L2121 Account

In an effort to address the proper utilization of the L2121 Accounts Payable account, **we recommend that the secretary review the Internal Funds Policy Manual on the correct procedures for accounting for credit card purchases.**

Establish effective work habits and expectations.

Careless Work Methods

In an effort to address the insufficient work methods of the secretary, **we recommend the principal meet with the secretary to determine the cause of the performance issues. We do not feel that the principal monitoring every single transaction, as was previously done, is an effective long-term or expected solution. The principal should re-orient the secretary with effective work habits and establish expectations.**

We will follow-up on these recommendations prior to the end of the 2016-2017 fiscal year.

Management Response

R. C. Lipscomb Elementary School

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Susan Sanders, Principal

Dr. Barbara Quarells, Assistant Principal

A SCHOOL OF EXCELLENCE BOUND FOR DISTINCTION

December 12, 2016

LM
12/14/16

To: Mr. David Bryant, Director of Internal Auditing

Re: Audit of Internal Accounts: R.C. Lipscomb Elementary School

Recently, I met with Michele Kiker from the Office of Internal Auditing. She spent a great deal of time discussing the results of our audit from the 2015-2016 school year. We discussed each of the 7 findings and strategies to correct them. I greatly appreciate the time she spent with me as well as the time spent to complete our audit. She helped me tremendously after my 2011-2012 audit educating me on how to alleviate each of the findings. I reviewed every transaction made by my secretary the next year highlighting errors. After having a clean audit in 2012-2013, I felt confident that I could step back from checking every detail of each transaction. My secretary educated our teachers regarding proper completion of forms and created a manual for each account sponsor. I am disappointed in our 2015-2016 audit and will be diligent in correcting procedures and work habits. Below are each of the 7 findings including a description of a corrective plan. I am hopeful these actions will meet your approval.

Finding: Request for Purchase (RFP) forms were not properly completed.

Corrective Plan: I will conduct a training with my teachers reviewing the proper completion of the RFP. Errors consisted of omitting information so emphasis will be on thorough completion. I will also make sure an RFP for the check written for our credit card statement is completed. The secretary and I were unaware that an RFP was necessary to pay the bill, but are aware now and will make this change immediately. The secretary and I will verify all forms are completed properly.

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

Corrective Plan: The secretary is the only one who checks in shipments to the school. A 'Received By' stamp will be ordered and she will be required to stamp, initial, and date each invoice.

Accredited by The Southern Association of Colleges and Schools



Finding: Monies Collected Forms (MCFs) were not properly completed.

Corrective Plan: I will conduct a training with my teachers reviewing the proper completion of the MCF. Errors consisted primarily from not checking the appropriate box at the bottom of the MCF or using an outdated MCF. I will emphasize every area of the MCF requiring completion and ask them to discard all old forms. The secretary will verify all MCFs are completed properly upon receipt.

Finding: Changes made to MCFs were not initialed.

Corrective Plan: I will conduct a training with my teachers reviewing the need to initial each and every change to a MCF. During the training with the staff, I will show them several examples so they have a complete understanding of all changes, including writing darker over a number or a date. The secretary will verify all corrections are initialed upon receipt.

Finding: Deposit composition discrepancies and overall carelessness regarding deposits.

Corrective Plan: My secretary admits to having a difficult time staying focused. I have discussed with her several strategies that would help her maintain focus. She will be required to close her door every time she is counting money and completing deposits. There will be a window covering placed on the door along with a do not disturb sign. She will review her deposits, for a double check, with the back-up secretary at the end of each month.

Finding: Fundraiser Request/Reconciliation forms were not properly completed.

Corrective Plan: I will conduct a training using the manual already created and provided, with all sponsors of accounts. Emphasis will be on proper completion of the Fundraiser Request/Reconciliation forms. I will also emphasize utilizing the form provided in the manual as an old form was used in our audit. The secretary and I will review each form for proper completion once it is reconciled.

Finding: The L2121 Accounts Payable account was not utilized properly.

Corrective Plan: The secretary will meet with district personnel to be retrained on proper coding of journal entries. The secretary and I will review the L2121 account at the end of each month to ensure transactions are coded correctly, in addition to timely.

I have discussed strategies my secretary can implement that will help her stay focused and eliminate distractions and the importance of the 'details' with our bookkeeping. She is very knowledgeable and quite capable of completing her job. I feel confident the findings can all be corrected. We will be extremely diligent in working to correct each and every finding on this audit.

Thank you so much for the time and effort put forth by your department. If any other information is needed, I will be happy to provide it.

Sincerely,



Susan Sanders

OK DJB
12/14/16