

# **Internal Audit of Internal Accounts As of June 30, 2014**

**Prepared By:  
Internal Auditors  
October 2, 2014**



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October 2, 2014

The Audit Committee of the  
St. Johns County School Board, Florida  
40 Orange Street  
St. Augustine, Florida 32084

Pursuant to the arrangement letter, we hereby submit our internal audit report of the Internal Accounts of the St. Johns County School Board, Florida ("District"). We will be presenting this report to the Audit Committee during the next scheduled meeting on October 16, 2014.

Our report is organized in the following sections:

<b>Executive Summary</b>	This provides a summary of the results related to our Internal Accounts Audit, comparison of comments issued for 2013-14 to prior year(s), and statistical summary data for the current year's results.
<b>Background</b>	This provides an overview of Internal Accounts and required procedures.
<b>Objectives and Approach</b>	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach.
<b>Individual School Comments</b>	This section provides a description of the comments and recommended action by school and area along with each principal's response.

We would like to thank the individual schools and all those involved in assisting the Internal Auditors in connection with the internal audit of Internal Accounts.

Respectfully Submitted,

**Internal Auditors**

## **Executive Summary**

## Executive Summary

During the fiscal year ending June 30, 2014, \$11.26M of receipts and \$11.28M of disbursements flowed through the District's internal funds accounts. This is consistent with the prior year's receipts and disbursements, which were \$10.28M and \$10.22M, respectively.

The following is a summary of the results from the internal audit of Internal Accounts as of June 30, 2014:

- This year's audit resulted in 7 of 34 (21%) schools receiving no comments. This is an increase from the prior year, when 4 of 34 (12%) schools received no comments.
- One school, Sebastian Middle, has had no audit comments for 3 consecutive years. Two schools (6%) have had no comments for 2 consecutive years, Palencia Elementary and Ponte Vedra High.
- There were 111 site based comments for the year ending June 30, 2014. This compares to 177, 143, 181 and 187 site based comments for the years ending June 30, 2013, 2012, 2011 and 2010, respectively. This represents a 37% decrease in the number of comments over the results as compared to the year ending June 30, 2013.
- Nine of 34 (26%) schools received 5 or more comments, the highest being 9 comments from a K-8 school.

The 37% decrease in findings is attributable to the District's Director of Accounting and Payroll and Bookkeeper – Accounting and Internal Accounts making individual site visits and meeting with the schools' Bookkeepers in conjunction with the significant update and reissuance of the Internal Accounts Manual effective July 1, 2013.

Our findings and conclusions are based on our analysis of the processes, documents, records and information provided to us by the District and Schools. If our scope were to have been expanded, including performance of additional procedures and/or sample sizes in the time period under review, it may have resulted in findings of questionable or inappropriate transactions. We offer no assurances that schemes or fraudulent activities have not or are currently not being perpetrated by any person within the District and Schools. We would like to note that all of the School Principals and Bookkeepers were cooperative and open to the issues and recommendations provided.

The areas highlighted below represent the most common findings. These areas may indicate that additional training is needed.

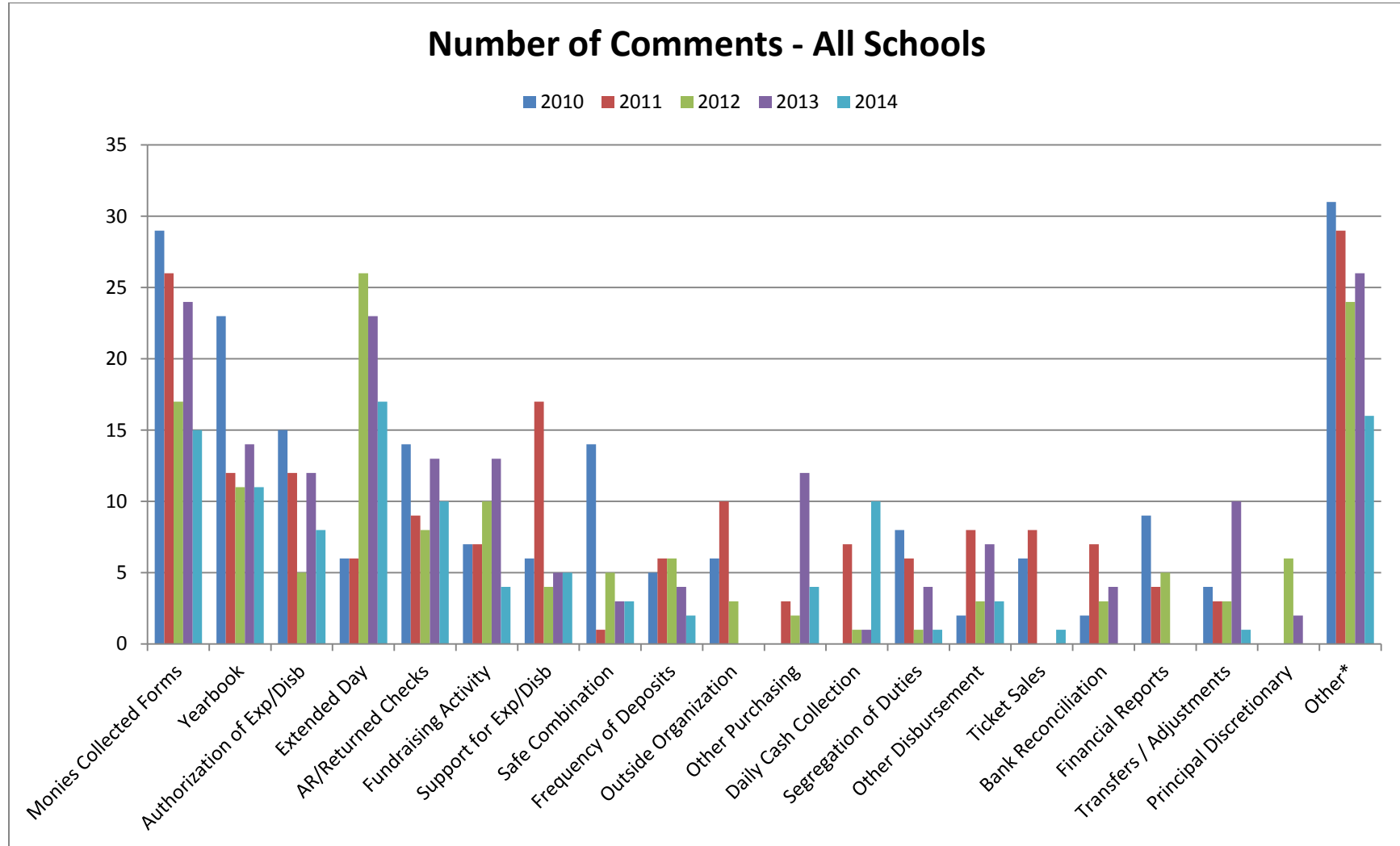
Issue	Risk Rating
<b>Completion of Report of Monies Collected (RMC) Forms:</b> Testing of a sample of receipts showed that 38% (13 of 34) of the schools had 1 or more of the following issues: monies collected forms for which cash or check was not indicated for each amount collected on the form, monies collected forms missing official receipt numbers or sign off by the bookkeeper, or the cash or check amount was incorrect on the deposit. Improvement has been made from FY 2012-13 where 53% (18 of 34) of the schools had issues in these areas.	High
<b>Daily Cash Collections:</b> For 29% (10 of 34) of the schools, we noted one or more instances where cash collected was not remitted to the bookkeeper on the day of collection as required. This is an increase from FY 2012-13 where 12% (4 of 34) of schools were identified with issues in this area.	High
<b>Authorization of Disbursements:</b> Testing of a sample of disbursements showed that 24% (8 of 34) of the schools had disbursements where documented prior approval was either not obtained or we were unable to determine timeliness as the disbursement form was not dated. This is a decrease from FY 2012-13 where 38% (13 of 34) of the schools had issues in these areas.	High

## Executive Summary - continued

Issue	Risk Rating
<b>Extended Day Activities:</b> We noted that 86% (12 of 14) of the elementary schools with extended day care programs processed through internal accounts had findings related to either timely receipt of payment for services, recordkeeping/documentation of payments/disbursements, timely monthly remittance to the District and/or performance of required reconciliations/audits. In FY 2012-13, 92% (12 of 13) of the schools were identified with issues in these areas.	<b>High</b>
<b>Yearbook:</b> We noted that 41% (11 of 27) of the schools that handled yearbook sales through internal accounts had yearbook compliance findings. In FY 2012-13, 45% (14 of 31) of schools had issues in this area.	<b>Moderate</b>
<b>Fundraising Activities:</b> We noted 15% (4 of 27) of the schools that handled fundraisers through internal accounts had compliance findings regarding fundraising activities. Significant improvement has been made from FY 2012-13 where 46% (13 of 28) of schools were identified with such issues.	<b>Moderate</b>
<b>Accounts Receivable and Returned Checks:</b> We noted that 29% (10 of 34) of the schools had findings related to proper classification of insufficient funds (NSF) checks and/or accounts receivable at year end. Improvement has been made from FY 2012-13 where 38% (13 of 34) of schools were identified with issues in this area.	<b>Moderate</b>

The graph on page 4 illustrates the changes in audit comments by type since 2009-10, showing a 5-year trend. For 2013-14, we would like to highlight one area of focus: "Daily Cash Collection." This area of focus had an increase in the number of schools with this finding. This area is decentralized and the principals and bookkeepers rely on the teachers or sponsors performing the collection to follow the required procedures.

## Executive Summary - continued



\*This includes non-school related accounts, prior period posting, change fund, loans between accounts, safe combination, night deposit, chart of accounts, school store inventory, filing procedures, safeguarding of forms, accounts with deficit balance, lack of official receipts, authorized check signers, qualified public depository, donation approval, intact deposits, posting errors, voided check procedures, contract authorization, unclaimed property, and review of financial reports.

## Background



## Background

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### **What are school internal account funds?**

School internal account funds are defined by the Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools (the “Red Book”) as “all local school funds derived by any public school from all activities or sources.”

Pursuant to Chapter 8 of the Red Book requirements, there are several principles related to the treatment of school internal account funds. Note, the terms “internal funds” and “internal accounts” are used interchangeably throughout Chapter 8 of the Red Book. Those principles include:

1. The school board shall be responsible for administration and control of internal funds of the District school system, and in connection therewith shall:
  - Adopt written rules governing the receipt and disbursement of all internal funds and for the accounting for property pursuant to Florida Statutes.
  - Provide for an annual audit of internal funds in accordance with Rule 6A-1.087, FAC.
2. The financial transactions of school organizations shall be accounted for in the school internal funds. All funds handled by school board employees during normal working hours shall be included in and become part of the internal funds of the school unless accounted for in the District level accounting system. All organizations of the school, or operating in the name of the school, which obtain moneys from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. If authorized by school board rule, a school-based direct support organization as authorized by Section 1001.453, F.S. may have all financial transactions accounted for in school internal funds.
3. Funds collected by and used for the benefit of faculty and staff may be exempt from the preceding requirements at the option of the school board.
4. School internal account funds shall be used to benefit activities authorized by the District school board.
5. Student participation in fundraising activities shall not be in conflict with the program as administered by the school board.
6. The objective of fundraising activities by the school, by any group within, or in the name of the school shall not conflict with programs as administered by the school board.
7. Funds collected shall be expended to benefit those students in school unless those funds are being collected for a specific documented purpose or are generated by career education production shops. Career education production revenues shall benefit the students or program that generated the funds or the student body. Those internal account funds designated for general purposes shall be used to benefit the student body.
8. Collecting and expending of school internal account funds shall be in accordance with the Florida Constitution, Florida Statutes, State Board of Education rules, and school board rules. Sound business practices should be observed in all transactions.
9. Each school organization should operate within a budget formulated by the organization members. The format of the budget shall be prescribed by the principal if not prescribed by school board rules.
10. Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by school board rules. Purchases to support instructional programs may be made from career education production revenues.
11. An adequate system of internal controls shall be maintained in order to safeguard the assets of the school internal funds.

## Background - continued

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### St. Johns County School Board Financial Data

The school internal accounts activities for the 2013-14 year which are included in the District's **Comprehensive Annual Financial Report** are as follows:

**St Johns County School District  
Internal Accounts Activity  
June 30, 2014**

	<u>Cash Balance</u> <u>July 1, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance</u> <u>June 30, 2014</u>
Total	\$ 3,553,265	\$ 11,260,377	\$ 11,282,323	\$ 3,531,319

### Summary of Certain Provisions of the Internal Accounts Handbook

#### Pre-numbered Documents

Proper use of pre-numbered documents helps deter theft by providing support for collections. Unaccounted for Official Receipts, Report of Monies Collected forms or admission tickets could result in unintentional errors or be an indicator of concealment of fraud. The Internal Accounts Handbook Article II Section 2.09 (b) states that pre-numbered receipts shall be used as the means of recording cash received, which provides the basis for entries to the accounting records.

#### Sale of Tickets

Internal Accounts Handbook Article IV Section 4.04(a) states pre-numbered tickets are to be used as a source of cash control in connection with athletic events and other activities. The order and control of tickets is to be performed by a school employee not associated with the selling of the tickets. All ticket sales must be reported on Report of Tickets Sold forms. Unused tickets must be carefully filed and safeguarded in the safe daily.

#### Fundraising Activity

Internal Accounts Handbook Article IV Section 4.05 states that each fundraising activity shall be planned to finance a specific objective. All fundraising requests are required to be documented on a District-authorized Fundraising Activity form. Prior approval by the principal is required for all fundraising activities conducted by the school, by any group within, connected with, or in the name of the school. Fundraising Activity forms provide documentation for approval of legitimate fundraisers and provide additional documentation for collections and expenditures. Internal Accounts Handbook Article IV Section 4.05 and Article IX 9.03 require that reconciliations of all monies collected and disbursed be performed for each fundraising activity, including a reconciliation of items/inventory purchased and sold.

#### Bank Reconciliations

Internal Accounts Handbook Article VI Section 6.01 requires that bank statements be reconciled as soon as received, preferably by a person other than the person who receives and disburses funds. Typically, the bookkeeper prepares the bank reconciliation. In such instances, the principal is to review the bank reconciliation upon completion, and initial and date their completed review.

## **Background - continued**

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### Summary of Testing of Certain Provisions of the Internal Accounts Handbook - continued

#### Contracts

According to the Internal Accounts Handbook Article V Section 5.01, the principal shall be fully responsible for all purchases and purchase commitments requiring the present or future disbursements of Internal Accounts monies. A signed commitment from the principal or designee must be on file before any purchases are made. No purchase shall be made unless sufficient resources are available. Neither the school nor the School Board shall be liable for any purchase made in the name of the school without written approval. Promissory notes, installment contracts or lease purchase agreements shall not be executed in the name of a school or any school organization except as authorized by the School Board.

#### Report of Monies Collected Forms and Deposit Records

As stated in Internal Accounts Handbook Article IV, the Report of Monies Collected form is used by a teacher/sponsor when collecting student activity funds. The Report of Monies Collected form should be completed in detail, and signed and dated by the teacher/sponsor collecting funds. The funds and documentation must be turned in to the school office daily and signed and dated by the bookkeeper at that time. According to the Internal Accounts Handbook Article I Section 1.02(f), all employees and volunteers having responsibility for handling and recording internal funds financial transactions shall be authorized by the principal and bonded through the District. The bookkeeper cannot be designated as the primary recipient of original receipts. All funds collected and supporting Report of Monies Collected are required to be delivered to the bookkeeper the day of the collection. The bookkeeper is required to reconcile the monies collected to the Report of Monies Collected, document the pre-numbered electronic receipt number, sign-off and issue a copy of the Report of Monies Collected to the individuals collecting monies. Funds collected must be deposited within five working days of receipt (defined as original date of collection).

#### Yearbook Sales

Typically, yearbook sales are handled by the schools themselves. Internal Accounts Handbook Article IX Section 9.04 lists documents required to be maintained on file by the yearbook sponsor.

#### Extended Day

All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10.

## **Objectives and Approach**

## Objectives and Approach

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### Objectives

Objectives of the internal audit of the school internal accounts include the following:

- Perform the annual audit of the District's school internal accounts as required by the Red Book regulations. Section 4.2 of the Red Book regulations state the following:
  - The school board shall provide for an annual audit of internal funds.
  - In accordance with Rule 6A-1.087(2), FAC, the signed, written report of the audit shall include notations of any failure to comply with Florida Statutes, State Board of Education Rules and rules of the school board. The report, which must also provide commentary as to financial management and irregularities, shall be presented to the school board while in session and filed as a part of the public record.
- Gain an understanding of the District's policies and procedures related to school internal accounts.
- Determine whether an adequate system of internal controls at each school is maintained around the high risk cash handling processes in order to safeguard the assets of the school internal accounts.
- Determine whether each school is in compliance with both District internal accounts policies and procedures and Red Book regulations.

### Approach

Our audit approach consisted of three phases:

#### Understanding of the Process

In order to obtain an understanding of the District's school internal accounts policies and procedures, we held an entrance conference with District management. We discussed the scope and objectives of the audit work, obtained preliminary data, and established working arrangements. We also reviewed the applicable Red Book regulations and District policies and procedures.

#### Detailed Testing

The purpose of this phase was to test compliance and controls around internal accounts. Our fieldwork testing was conducted at the school sites utilizing sampling and other auditing techniques to meet our audit objectives outlined above. Findings identified are included in the issues and recommendations section of this report. We reviewed the bank reconciliation of the District's designated internal account and conducted on-site school visits at all 34 District schools, performing testing of the following areas:

- Timely Deposits
- Authorization of Expenditures
- Segregation of Duties
- Cash Disbursements
- Cash Receipts
- Ticket Sales
- Fundraising Sales
- Yearbook Sales
- Transfers and Adjustments
- Financial Reports
- Bank Reconciliations
- Returned Checks
- Capitalized Assets
- Extended Day
- Safe Combination

#### Reporting

At the conclusion of our audit, we summarized our findings in this report, which is pursuant to Red Book requirements as outlined in our objectives above. Our report also includes recommendations for improving the issues. We conducted an exit conference with the principal of each of the schools and have incorporated their responses into our report.

## Individual School Comments

SCHOOL: BARTRAM TRAIL HIGH SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/6/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		Response: N/A ECD: N/A Principal Responsible: Dawn Sapp

Rating	Issues		Recommendation	Management Response
High	1	Accuracy of Report of Monies Collected Forms		
Recurring	<p>During our testing of deposits, we noted that the cash amounts on the deposit slips for two deposits (IC010294 and IC010806) were not consistent with cash as reported on the monies collected forms. In total, the deposit amounts agreed to the monies collected forms.</p> <p>Inconsistencies between the monies collected forms and the deposit slip could be an indication that monies are not being deposited intact or as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook, Section 4.02(g) states that the bookkeeper shall reconcile the monies collected to the report of monies collected, document the pre-numbered electronic receipt number, sign off, and issue a carbon copy of the report of monies collected to the individual collecting monies. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Funds are verified at the time of deposit and balanced to the total amount received. At times, the <i>listing</i> of “cash” or “check” may be overlooked or recorded erroneously by the sponsor. With the volume of monies collected forms received, and the multi-tasking required in the bookkeeper’s position, this will occur occasionally but is not representative of the overall record keeping.</p> <p><b>ECD:</b> Immediate and continuous.</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>



Rating	Issues		Recommendation	Management Response
High	2	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted that payment type was not indicated for amounts collected on RMC 81339 and 81347.</p> <p>Without a listing of cash or check for each amount collected, it cannot be verified whether monies collected are being deposited intact.</p>		<p>The Internal Accounts Handbook, Section 4.01(a)(iv) states that the Monies Collected Form shall show the subtotal for payment type of cash or check and include all check numbers. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Funds are verified at the time of deposit and balanced to the total amount received. At times, the <i>listing</i> of “cash” or “check” may be overlooked or recorded erroneously by the sponsor. With the volume of monies collected forms received, and the multi-tasking required in the bookkeeper’s position, this will occur occasionally but is not representative of the overall record keeping.</p> <p><b>ECD:</b> Immediate and continuous.</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Expenditures Requiring Purchase Orders		
Recurring	<p>During our test of cash disbursements, we noted that no purchase order was created for four applicable purchases.</p> <p>Expenditures that do not go through the proper purchasing process could result in overspending of the budget or misappropriation of funds.</p>		<p>All disbursements require a system generated purchase order, except for the transaction types listed in Section 5.03(e) of the Internal Accounts Handbook. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> The four purchases referenced were immediate purchases that required no encumbrance period. The expenditures indeed went through the proper purchasing process. The internal purchase order system does not indicate the principal's approval; that is limited by our district to the <i>written</i> purchase order form <i>only</i>. If an expense is incurred that requires immediate approval and payment, the PO system is essentially several extra steps that limited personnel do not have time to complete. Sound judgment is exercised to determine when an encumbrance is necessary. If there is an encumbrance period or an order is being placed for future delivery, a valid purchase order is processed in Sungard. No payments are made until the principal has given written approval.</p> <p><b>ECD:</b> To be determined.</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>

Rating	Issues		Recommendation	Management Response
High	4	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted one monies collected form for which money was collected between 5/27/2014 and 5/30/2014 that was not remitted to the bookkeeper until 6/6/2014.</p> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> During a recent faculty meeting the bookkeeper reviewed proper collection and deposit procedures with all staff members. It was conveyed that funds should be deposited the day of collection.</p> <p><b>ECD:</b> Immediate.</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>

Rating	Issues		Recommendation	Management Response
High	5	Intact Deposits		
New	<p>During our testing of cash receipts, we noted that funds were not deposited intact as initially received on RMC 81799. Cash was disbursed from monies collected as a partial refund for a check received over the amount of payment.</p> <p>Cash receipts are required to be deposited intact to deter the substitution of checks for cash and the cashing of checks with cash collections.</p>		<p>The Internal Accounts Handbook, Section 6.01(c) states that all monies received by the school shall be deposited intact as collected and all disbursements will be made by check. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> The sponsor for parking passes received a check for \$75 for a \$70 pass and provided the parent \$5 in change instead of asking the parent to write another check. The matter was discussed with the sponsor and protocol has been reviewed.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>

Rating	Issues		Recommendation	Management Response
Moderate	6	Official Receipts		
New	<p>During our testing of cash receipts, we noted that official receipts were not issued for amounts collected on RMC 81345.</p> <p>Pre-numbered receipts support entries on the Report of Monies Collected Forms and serve as evidence of payment in case of dispute.</p>		<p>The Internal Accounts Handbook, Section 4.01(b)(iii) states that a cash receipt will be issued for all monies received subject to exceptions and monetary thresholds.</p> <p>We recommend the bookkeeper review the current requirements for official receipts in the Internal Accounts Handbook and follow the listed policy.</p>	<p><b>Response:</b> The receipt policy enacted this fiscal year was misunderstood by some faculty members. The bookkeeper reviewed the district's policy regarding receipts but the responsibility of writing receipts lies with the sponsor or the person authorized to collect funds, which is never the bookkeeper. The receipt process policy for the new (FY15) has been reviewed with all staff members.</p> <p><b>ECD:</b> Immediate.</p> <p><b>Principal Responsible:</b> J Randy Johnson</p>

Rating	Issues		Recommendation	Management Response
High	1	Extended Day Reconciliations		
New	<p>During our testing of extended day documentation, we noted the following:</p> <ul style="list-style-type: none"> <li>Monthly reconciliations of extended day fees collected were performed by the bookkeeper and extended day coordinator, but the reconciliations were not reviewed by the principal on a monthly basis.</li> <li>The reconciliation documentation for one selected month did not include a copy of the SunGard report to evidence that the extended day revenue schedules were reconciled to the school accounting system revenue reports.</li> </ul> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <p>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</p> <p>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</p> <p>We recommend that the bookkeeper perform and document a monthly reconciliation of the extended day receipts between the extended day records and the SunGard records. The principal should review the reconciliation, resolve variances, and document this review by sign off.</p>	<p><b>Response:</b> Monthly reconciliations will be performed and reviewed by Principal on a monthly basis. Monthly reconciliations will include Sungard reports.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Paul Goricki</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Extended Day Collections		
New	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> We will collect cash receipts in advance of services. We acknowledge this finding and will work to correct immediately.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Paul Goricki</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Expenditure Support		
New	<p>During our test of disbursements, we noted that the supporting documentation for check 750 was a summary receipt that did not include a detail of what was purchased.</p> <p>Disbursements without proper supporting documentation could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "Supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> We acknowledge this finding and will ensure all disbursements are supported by a detailed receipt or invoice in the future.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Paul Goricki</p>

Rating	Issues		Recommendation	Management Response
Low	4	Safe Combination		
New	<p>Per discussion with the bookkeeper, the combination to the safe was changed during the prior fiscal year. The documentation of the change in the safe combination did not include principal signature.</p> <p>All changes to the safe combination should be documented in accordance with the Internal Accounts Handbook guidelines.</p>		<p>The Internal Accounts Handbook states that when the safe combination is changed and “a locksmith is not used to change the combination, a memo signed by the principal documenting the date of the combination change is permitted” (District Internal Accounts Handbook, Section 2.08(d)).” We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> We acknowledge this finding, and will document the change in the safe combination with the inclusion of the Principals signature immediately.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Paul Goricki</p>

Rating	Issues		Recommendation	Management Response
Moderate	1	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> Extended Day policies reflect that families may be withdrawn from the program if services are not paid in advance. We will implement a 3 week prepayment and defined payment schedule to allow for defined expectations and offer a cushion of time to families who may be experiencing financial difficulties. Late fees are applied to those accounts who are paying after the stated due date.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Jud Strickland</p>

Rating	Issues		Recommendation	Management Response
High	2	Authorization of Disbursements		
New	<p>During our test of cash disbursements, we noted check 530 paid an invoice with order date 6/5/2013 and invoice date 8/6/2013, but the materials requisition form was not approved by the principal until 8/21/2013.</p> <p>Disbursements that do not have proper approval prior to the purchase could result in overspending of the budget or misappropriations of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> This check request was an exception, and proper procedures will continue to be followed.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Jud Strickland</p>



Rating	Issues		Recommendation	Management Response
High	1	Authorization of Disbursements		
Recurring	<p>During our test of cash disbursements, we noted the following:</p> <ul style="list-style-type: none"> <li>Check 453 paid an invoice dated 3/4/2014, but the materials requisition form was not approved by the principal until 5/7/2014.</li> <li>Check 479 paid an invoice dated 6/2/2014, but the materials requisition form was not approved by the principal until 6/4/2014.</li> </ul> <p>Disbursements that do not have proper approval prior to the purchase could result in overspending of the budget or misappropriations of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Principal was aware of the field studies trips as they were approved months prior. Often times a check is not required until the date of the field study which is when the sponsor/teacher requests the check. Field study sponsors/teachers are instructed to remit any invoices upon receipt.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Sales Tax		
Recurring	<p>During our testing of disbursements, we noted that check 455 which was for items for resale did not include sales tax. Furthermore, the sales tax was not paid to the Florida Department of Revenue. The District is subject to sales tax when items purchased are for resale; therefore sales tax should have been paid.</p>		<p>The Internal Accounts Handbook (Section 5.04(a)) states all items purchased for resale are subject to Florida Sales Tax unless specifically exempted. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper will remit state sales tax on any resale items or pay sales tax to the vendor when ordering.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
Low	3	Accounts Receivable and Returned Checks		
Recurring	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$50, which did not match the listing of checks pending reimbursement, which totaled \$25.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper will research the accounts receivable balance and correct.</p> <p><b>ECD:</b> September 2014</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
High	4	Completion of Report of Monies Collected Forms		
New	<p>During our testing of cash receipts, we noted that payment type was not indicated for amounts collected on RMC 78726 and 78720.</p> <p>Without a listing of cash or check for each amount collected, it cannot be verified whether monies collected are being deposited intact.</p>		<p>The Internal Accounts Handbook, Section 4.01(a)(iv) states that the Monies Collected Form shall show the subtotal for payment type of cash or check and include all check numbers. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper has re-instructed teachers on the appropriate way to complete the RMC.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
High	5	Yearbook		
New	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>• We were unable to agree the quantity of yearbooks ordered from vendor, sold and currently on hand to supporting documentation.</li> <li>• The packing slip was not retained on file to support the number of yearbooks actually received by the school.</li> <li>• The yearbook reconciliation was out of balance by \$10.</li> </ul> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> The yearbook vendor often gives any extra yearbooks to the school that were not previously ordered. The packing slip was inadvertently discarded when the yearbooks were being distributed. The \$10 out of balance amount was monies paid by a parent who withdrew a student and wanted the yearbook mailed to them. The bookkeeper will send the \$10 to the district office to cover the postage of mailing the yearbook.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
Moderate	6	Official Receipts		
New	<p>During our testing of cash receipts, we noted that official receipts were not issued for amounts collected on RMC 78721.</p> <p>Pre-numbered receipts support entries on the Report of Monies Collected Forms and serve as evidence of payment in case of dispute.</p>		<p>The Internal Accounts Handbook, Section 4.01(b)(iii) states that a cash receipt will be issued for all monies received subject to exceptions and monetary thresholds.</p> <p>We recommend the bookkeeper review the current requirements for official receipts in the Internal Accounts Handbook and follow the listed policy.</p>	<p><b>Response:</b> Bookkeeper has re-instructed teachers to write a sequentially numbered receipt for any cash amount received in accordance with the Internal Accounts Handbook.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
Moderate	7	Expenditure Support		
New	<p>During our test of disbursements, we noted that no supporting receipt or invoice for check 472 was on file.</p> <p>Disbursements without proper supporting documentation could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "Supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper has re-instructed all teachers to obtain an invoice or receipt when reserving or arriving at a field study location.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Sandra McMandon</p>

Rating	Issues		Recommendation	Management Response
Low	1	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted one monies collected form on which error corrections were not made in accordance with the Internal Funds Handbook (RMC 55578).</p> <p>Incomplete or inaccurate monies collected forms could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 4.01(a)(iii) states that any erroneous information on report of monies collected forms "must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error, and initialing."</p> <p>We recommend the bookkeeper review the requirements for Monies Collected Forms and ensure compliance without exception.</p>	<p><b>Response:</b> Will ensure this procedure will be followed in the future.</p> <p><b>ECD:</b> 8/28/14</p> <p><b>Principal Responsible:</b> Lynn O'Connor</p>

Rating	Issues		Recommendation	Management Response
High	2	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>One monies collected form for which money was collected on 11/15/2013 that was not remitted to the bookkeeper until 11/19/2013.</li> <li>One monies collected form for which money was collected on 12/02/2013 that was not remitted to the bookkeeper until 12/10/2013.</li> </ul> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Will review procedure with staff members to ensure procedure is followed</p> <p><b>ECD:</b> 8/28/14</p> <p><b>Principal Responsible:</b> Lynn O'Connor</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Authorized Check Signers		
New	<p>Per review of the authorized signers listing from the bank, we noted that one of the authorized check signers was no longer employed at the school as of the audit date.</p> <p>Improper cash disbursements authorization access could lead to misappropriation of assets.</p>		<p>We recommend that the bookkeeper update the authorized signers listing with the bank to ensure compliance with the following requirements in the Internal Accounts Handbook (Section 2.04): "The principal of each school shall designate two persons in addition to him/herself who shall be authorized to sign checks and withdraw funds from checking, savings or other investment accounts...A copy of the bank signature card of authorized signers on file with the bank shall be kept on file at the school for audit."</p>	<p><b>Response:</b> It has been completed and will not occur in the future.</p> <p><b>ECD:</b> 8/28/14</p> <p><b>Principal Responsible:</b> Lynn O'Connor</p>

Rating	Issues		Recommendation	Management Response
High	1	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted the documentation for one RMC (389002) did not include the name or signature of the initial collector of the funds.</p> <p>Inadequate completion of monies collected forms could be an indication that monies are not being deposited as collected from the teachers/sponsors. In addition, without the initial collector's signature, proper segregation of duties cannot be verified.</p>		<p>The Internal Accounts Handbook, Section 4.02(d) states that all monies collected must be substantiated by a pre-numbered electronic receipt and the District approved Report of Monies Collected form, prepared by the individual collecting the cash. Section 4.01(a)(iv)(c) states that each monies collected form shall show the signature of the teacher/sponsor responsible for collecting the money.</p> <p>We recommend the bookkeeper review the requirements for monies collected forms and ensure compliance without exception.</p>	<p><b>Response:</b> Signature will be on the monies collected form from person that accepts check in the mail other than bookkeeper.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Patricia McMahon</p>

Rating	Issues		Recommendation	Management Response
High	2	Authorization of Disbursements		
Recurring	<p>During our testing of disbursements, we noted that the materials requisition form for check 134 did not include the purchase amount approved by the principal.</p> <p>Disbursements that do not have approval prior to the purchase could result in overspending of the budget or misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form should include the estimated maximum purchase amount and that the principal should ensure that sufficient funds are available to fund the purchase.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Purchase amount will be entered on all material requisition forms.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Patricia McMahon</p>

SCHOOL: GAINES ALTERNATIVE CENTER

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/8/2014

Rating	Issues		Recommendation	Management Response
Moderate	3	Filing Procedures		
Recurring	During our testing of cash receipts, we were unable to verify the amount of cash and check for one deposit (IC007609), as the deposit slip was not maintained on file.		The Internal Accounts Handbook (Section 2.09(d)) states that deposit slips should be kept on file. We recommend that the bookkeeper maintain required documents, including duplicate deposit slips, on file in accordance with this policy.	<p><b>Response:</b> Deposit slips will be kept on file at all times.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Patricia McMahon</p>



Rating	Issues		Recommendation	Management Response
High	1	Frequency of Deposits		
New	<p>During our testing of cash receipts, we noted RMC 81923 had monies collected on 6/3/2014 but not picked up by the courier until 6/11/2014. The funds were not picked up by the courier with the pick up on 6/6/2014.</p> <p>Deposits not made within five (5) business days could result in inaccurate records and misappropriated funds.</p>		<p>The Internal Accounts Handbook (Section 4.03(a)) states funds collected must be deposited within five working days of receipt. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> All efforts will be made to insure deposits are made within the five working days.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Joy Taylor</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Fundraising Activity		
New	<p>During our testing of cash receipts and fundraising activities, we noted that for one fundraiser there was no supporting documentation to evidence prior approval by the principal, financial results, or final approval by the principal.</p> <p>Failure to completely follow District policies related to the use of fundraiser reconciliations could result in an inability to ensure the fundraising activity is fully and accurately captured in the internal accounts fund.</p>		<p>The Internal Accounts Handbook (Section 4.05 (b) and (g)) states the Principal shall control the fundraising activities conducted in the name of the school, and that all fundraising requests shall be documented on a District authorized fundraising activity form accompanied by the District authorized supporting fundraising checklist. Refer to Appendix II Exhibits 4 and 5 for the appropriate fundraising forms allowable by the District.</p> <p>We recommend the above policies be followed without exception.</p>	<p><b>Response:</b> All future fundraising will have the proper supporting documents.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Joy Taylor</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Donation Approval		
New	<p>During our testing of cash receipts, we noted that Superintendent or School Board approval was not obtained for a donation from the PTO of \$10,372, as required by School Board Rules.</p> <p>The District's policies require prior approval of proposed gifts to ensure all gifts are consistent with the overall mission, objectives and goals of the District.</p>		<p>Article XI, "Gifts, Bequests and Donations" of the Internal Funds Handbook states, "All proposed gifts of (i) real property (regardless of value) and (ii) tangible and intangible personal property having a value of at least \$10,000 must be approved by the School Board."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> At the time of this transaction we were not aware that funds coming from PTO were considered donations since it is school generated funds. We will be sure to comply with future donations.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Joy Taylor</p>

Rating	Issues		Recommendation	Management Response
High	1	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>The bookkeeper's signature and date received were not documented on RMC 67819.</li> <li>Payment type was not indicated for amounts on RMC 67860, 79896, 79902, and 76761.</li> </ul> <p>Inadequate completion of monies collected forms could be an indication that monies are not being deposited as collected from the teachers/sponsors. Without a listing of cash or check for each amount collected, it cannot be verified whether monies collected are being deposited intact.</p>		<p>The Internal Accounts Handbook states the requirements for Monies Collected Forms in Section 4.01(a). These include that the Monies Collected Forms shall show the following:</p> <ul style="list-style-type: none"> <li>Bookkeeper's signature and date the funds were verified.</li> <li>Subtotal for payment type of cash or check and check numbers.</li> </ul> <p>We recommend the bookkeeper review the requirements for Monies Collected Forms and ensure compliance without exception.</p>	<p><b>Response:</b> Every attempt will be made to sign and date all monies collected forms</p> <p><b>ECD:</b> 8/20/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
High	2	Yearbook		
Recurring	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>We were unable to agree the yearbook sales amounts per the yearbook reconciliation documentation to the general ledger.</li> <li>The yearbook sales calculation on the reconciliation was not mathematically accurate.</li> <li>The yearbook reconciliation was out of balance by \$275.</li> </ul> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Every attempt will be made to balance the yearbook reconciliation.</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
High	3	Extended Day Audits		
New	<p>During our testing of extended day documentation, we were unable to determine that the sample audits of attendance sheets and schedule of fees charged and fees paid quarterly were performed by the principal as required.</p> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <ul style="list-style-type: none"> <li>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</li> <li>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</li> </ul> <p>We recommend that the principal's quarterly sample audits of attendance and fees be documented with details of audits performed, results and principal sign-off and date.</p>	<p><b>Response:</b> Effective immediately, the principal will review and sign off on Extended Day quarterly reviews.</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
High	4	Authorization of Disbursements		
New	<p>During our testing of disbursements, we noted that the materials requisition form for check 1111 was not dated to indicate when principal approval occurred.</p> <p>Disbursements that do not have approval prior to the purchase could result in overspending of the budget or misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend that the principal date their approval on the purchase requisition forms to evidence compliance with the above policy.</p>	<p><b>Response:</b> Every attempt will be made to have documentation dated properly</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
Moderate	5	Safe Combination		
New	<p>The combination to the top compartment of the safe was last changed on 4/9/2013, prior to the principal turnover in June 2014.</p> <p>The combination should be changed when there is a change in administrative personnel and/or bookkeeper or at the end of every third year.</p>		<p>The Internal Accounts Handbook states that the safe combination "shall be changed whenever there is a change in administrative personnel and/or bookkeeper or at the end of every third year. If a locksmith is used to change the combination, documentation supporting the date of the combination change, such as an invoice from the locksmith, shall be kept on file at the school. If a locksmith is not used to change the combination, a memo signed by the principal documenting the date of the combination change is permitted" (District Internal Accounts Handbook, Section 2.08(d)).</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Secretary error—two safes—one was changed but the other was not. That correction has been made.</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
Moderate	6	Posting Errors		
New	<p>During our review of cash receipts and disbursements, we noted that the extended day collections and remittances were recorded using the incorrect object code. The overall effect was that the revenues and expenditures for the extended day account were understated by \$305,887 for the year. The ending balance was properly stated as zero on the cash balance report.</p> <p>Proper posting of extended day collections and remittances is required to facilitate principal review and proper reporting.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(vii)) states that all monies collected for the extended day program and disbursed to the District must be recorded in internal accounts, in the extended day fund. Proper object codes should be used to ensure the extended day revenue and expenditure activity is properly stated.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Every attempt will be made to use correct object codes when posting.</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Bethany Groves</p>

Rating	Issues		Recommendation	Management Response
Moderate	1	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Non advanced receipt of extended day program fees can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01 (g) (ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> The Extended Day Supervisor will collect dues and fees in advance of providing services according to the Constitution of the State of Florida, Article VII, Section 10.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Amanda Garman</p>

Rating	Issues		Recommendation	Management Response
Moderate	1	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> The receipt in question was a collection of funds at the start of the school year. Due to an overwhelming amount of tasks to be completed on the first day of the new school year a Quick Books deposit proving monies collected is not always a possibilities however, a manual check for payment rendered is completed before child care is provided. We will work very hard to correct this error in the future. Child care is never, under any circumstances, provided without payment in full.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Michael Story</p>

Rating	Issues		Recommendation	Management Response
High	2	Completion of Report of Monies Collected Forms		
New	<p>During our testing of cash receipts, we noted that payment type was not indicated for amounts collected on RMC 54242.</p> <p>Without a listing of cash or check for each amount collected, it cannot be verified whether monies collected are being deposited intact.</p>		<p>The Internal Accounts Handbook, Section 4.01(a)(iv) states that the Monies Collected Form shall show the subtotal for payment type of cash or check and include all check numbers.</p> <p>We recommend the above policies be followed without exception.</p>	<p><b>Response:</b> In the future, with an updated "Quick Books", the report is customized to include the RMC will include payment type (cash or check).</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Michael Story</p>



Rating	Issues		Recommendation	Management Response
High	3	Extended Day Audits		
New	<p>During our testing of extended day, we noted that the sample audits of attendance sheets and schedule of fees charged and fees paid were only documented for one quarter during the year.</p> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <ul style="list-style-type: none"> <li>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</li> <li>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</li> </ul> <p>We recommend that the principal's quarterly sample audits of attendance and fees be documented with details of audits performed, results and principal sign-off and date.</p>	<p><b>Response:</b> In the future, quarterly sample audits will be conducted, checked and signed off by the principal.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Michael Story</p>

Rating	Issues		Recommendation	Management Response
High	4	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>One monies collected form for which money was collected between 8/19/2013 and 8/21/2013 that was not remitted to the bookkeeper until 8/23/2013. The funds were not receipted by the extended day coordinator until 8/21/2013.</li> <li>One monies collected form for which money was collected between 9/9/2013 and 9/17/2013 that was not remitted to the bookkeeper until 9/19/2013.</li> </ul> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> The deposit in question was a collection of funds at the start of the school year. Due to an overwhelming amount of tasks to be completed on the first days of the new school year a Quick Books deposit not always a possibility. It is our practice to make daily deposits as monies are collected. We will work very hard to correct this error in the future.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Michael Story</p>

SCHOOL: KETTERLINUS ELEMENTARY

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/4/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		Response: N/A ECD: N/A Principal Responsible: Kathy Tucker

Rating	Issues		Recommendation	Management Response
High	1	Segregation of Duties		
<b>Recurring</b>	<p>During our testing of segregation of duties we noted the bookkeeper occasionally opens the mail and could therefore be the initial collector of checks received.</p> <p>As the bookkeeper's duties include bank deposits, posting receipts in the accounting system and performing the bank reconciliation, there is not an appropriate level of segregation of duties if they also prepare monies collected forms. Without the proper segregation of duties and controls surrounding cash, there is an increased likelihood of errors, misappropriation of funds or other types of irregularities to occur without being detected within an acceptable timeframe.</p>		<p>In accordance with Section 4.02(a), "Monies shall be collected only by persons authorized by the principal, who are bonded as described in Section 1.01 of the Handbook." Additionally, in accordance with Section 4.02(c), "The bookkeeper, shall not, under any circumstances, be the initial collector of any funds. An alternative recipient should be designated by the principal. Acceptable designees include school principal, assistant principal, receptionist, teachers, coaches, or directors."</p> <p>We recommend a person other than the bookkeeper be the initial collector of funds and preparer of the monies collected forms. Once the funds are collected and documented on a monies collected form they are then submitted to the bookkeeper. The bookkeeper will verify the count, sign and date the form and return a copy to the person responsible for the collection of the funds.</p>	<p><b>Response:</b> Beginning immediately the mail will be opened by someone other than the bookkeeper. When checks are received in the mail, they will be recorded on a monies collected form before being given to the bookkeeper.</p> <p><b>ECD:</b> 8/8/2014</p> <p><b>Principal Responsible:</b> Jewel Johnson</p>

Rating	Issues		Recommendation	Management Response
High	2	Daily Cash Collection		
<b>New</b>	<p>During our test of cash receipts, we noted one monies collected form for which money was collected on 8/23/2013 that was not remitted to the bookkeeper until 8/27/2013.</p> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Beginning immediately teachers will be reminded to turn in their monies collected form and money the same day the money was collected.</p> <p><b>ECD:</b> 8/8/2014</p> <p><b>Principal Responsible:</b> Jewel Johnson</p>

Rating	Issues		Recommendation	Management Response
High	3	Completion of Report of Monies Collected Forms		
New	<p>During our testing of cash receipts, we noted the following:</p> <ul style="list-style-type: none"><li>Error corrections on two RMCs (63906 and 71280) were not made in accordance with the Internal Funds Handbook.</li><li>RMC 63906 did not contain the date the funds were initially collected or received by the bookkeeper.</li><li>RMCs 71280 did not contain the date the funds were received by the bookkeeper.</li><li>RMC 56347 did not include the name or signature of the initial collector of the funds. Also, the funds receipt date was inconsistent with the deposit date, as the RMC showed that funds were received by the bookkeeper six days after the deposit was picked up by the courier.</li><li>The purpose for collection of funds was not completed for RMC 63906.</li></ul> <p>Inadequate completion of monies collected forms could be an indication that monies are not being deposited as collected from the teachers/sponsors. In addition, without the initial collector's signature, proper segregation of duties cannot be verified.</p>		<p>The Internal Accounts Handbook states the requirements for Monies Collected Forms in Section 4.01(a). These include the following:</p> <ul style="list-style-type: none"><li>Any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing.</li><li>The RMC shall show required information, including the following:<ul style="list-style-type: none"><li>Actual date collected by the teacher/sponsor.</li><li>Signature of the teacher/sponsor responsible for collecting the money.</li><li>Date monies were received from the teacher/sponsor and verified by the secretary bookkeeper.</li><li>Purpose for collection of funds.</li></ul></li></ul> <p>We recommend the bookkeeper review the requirements for Monies Collected Forms and ensure compliance without exception.</p>	<p><b>Response:</b> Beginning immediately monies collected forms will be carefully checked to make sure they are completely and accurately filled out by teachers and the bookkeeper.</p> <p><b>ECD:</b> 8/8/2014</p> <p><b>Principal Responsible:</b> Jewel Johnson</p>

Rating	Issues		Recommendation	Management Response
High	4	Yearbook		
New	<p>During our testing of yearbooks, we noted the yearbook sponsor handled all yearbook related duties, including ordering, receiving, custody, collection of funds, and yearbook reconciliation.</p> <p>Without the proper segregation of duties and controls surrounding yearbooks, there is an increased likelihood of errors, misappropriation of cash and/or yearbooks or other types of irregularities to occur without being detected within an acceptable timeframe.</p>		<p>We recommend the following segregation of duties: require that the principal or their designee outside of the yearbook function (cash collection, recording of transactions, reconciliation etc) obtain initial receipt of the incoming yearbooks. This person should be required to count and document the total number of yearbooks the school initially receives.</p> <p>We recommend that these policies be followed without exception.</p>	<p><b>Response:</b> Beginning with yearbook sales for 2014-2015, there will be more than one teacher involved in the yearbook related duties. This will provide appropriate segregation of duties and better controls.</p> <p><b>ECD:</b> 8/18/2014</p> <p><b>Principal Responsible:</b> Jewel Johnson</p>

Rating	Issues		Recommendation	Management Response
Low	5	Accounts Receivable and Returned Checks		
New	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$124.35, which did not match the listing of checks pending reimbursement, which totaled \$168.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Beginning immediately returned checks and reimbursements will be checked against/used to create bank reconciliation reports.</p> <p><b>ECD:</b> 8/8/2014</p> <p><b>Principal Responsible:</b> Jewel Johnson</p>

Rating	Issues		Recommendation	Management Response
High	1	Accounts Receivable and Returned Checks		
Recurring	<p>During our test of returned checks, we were unable to determine the amount of returned checks pending reimbursement at year end. No listing of these checks was on file to support the accounts receivable balance on the cash balance report. The returned check balance per the general ledger was \$1,170.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Internal Accounts Secretary will keep an itemized list of returned checks and will submit monthly with report.</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
High	2	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted that the bookkeeper's signature and date received were not documented on RMC 82064.</p> <p>Inadequate completion of monies collected forms could be an indication that monies are not being deposited as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook (Section 4.01(a) states that the Monies Collected Form shall show the bookkeeper's signature and date the funds were verified.</p> <p>We recommend the bookkeeper review the requirements for Monies Collected Forms and ensure compliance without exception.</p>	<p><b>Response:</b> Bookkeeper on record did not sign monies collected on her last day of employment. Procedure in place for new bookkeeper to comply.</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
High	3	Fundraising Activity		
Recurring	<p>During our testing of fundraisers, we noted the following:</p> <ul style="list-style-type: none"> <li>There was no supporting documentation to evidence the bookkeeper's review and the principal's pre-approval or final approval of the selected fundraiser.</li> <li>We were unable to agree the total revenue and expenditures figures recorded on the fundraising activity form to the general ledger.</li> </ul> <p>Failure to completely follow District policies related to the use of fundraiser reconciliations could result in an inability to ensure the fundraising activity is fully and accurately captured in the internal accounts fund. Additionally, without the proper controls surrounding fundraising sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 4.05 (b) and (g)) states the Principal shall control the fundraising activities conducted in the name of the school, and that all fundraising requests shall be documented on a District authorized fundraising activity form accompanied by the District authorized supporting fundraising checklist. Refer to Appendix II Exhibits 4 and 5 for the appropriate fundraising forms allowable by the District.</p> <p>We recommend the above policies be followed without exception.</p>	<p><b>Response:</b> All personnel will complete a fundraising authorization form prior to fundraising.</p> <p>No fundraising will occur without principal's approval. Records will verify both receipts and expenditures.</p> <p>New bookkeeper will comply with procedures.</p> <p><b>ECD: 8/28/2014</b></p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
Moderate	4	Yearbook		
Recurring	<p>During our testing of the yearbook inventory, we noted that there were three more yearbooks on hand than shown on the reconciliation.</p> <p>Without the proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(ii)) states that the "secretary/bookkeeper should also observe and count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Yearbook sales will be recorded online through vendor site only and will be processed by the vendor. A complete list of stock will be verified.</p> <p><b>ECD: 8/28/2014</b></p> <p><b>Principal Responsible:</b> Judith Thayer</p>



Rating	Issues		Recommendation	Management Response
High	5	Intact Deposits		
New	<p>During our testing of cash receipts, we noted that funds were not deposited intact as initially received on RMC 74791. Cash was disbursed from monies collected as a partial refund for a check received over the amount of payment.</p> <p>We identified this occurrence after noting that the cash amount on the deposit slip for the deposit (IC009853) was not consistent with cash as reported on the monies collected forms. In total, the deposit amount agreed to the monies collected form.</p> <p>Cash receipts are required to be deposited intact to deter the substitution of checks for cash and the cashing of checks with cash collections.</p>		<p>The Internal Accounts Handbook, Section 6.01(c) states that all monies received by the school shall be deposited intact as collected and all disbursements will be made by check. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Monies collected policy will be followed without exception. All staff will be required to verify cash received. All refunds will be processed through internal accounts.</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
High	6	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted one monies collected form for which money was collected between 3/28/2014 and 3/31/2014 that was not remitted to the bookkeeper until 4/1/2014.</p> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Monies collected will be submitted daily.</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
Moderate	7	Extended Day Collections		
New	<p>During our test of extended day cash receipts, we noted receipts for extended day services that were not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> Fees will be paid in advance of service</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
Moderate	8	Expenditure Support		
New	<p>During our test of disbursements, we noted that check 2791 was written for \$2,558 more than the supporting invoice amount. The difference was not supported by a detail of purchase such as invoice or receipt.</p> <p>Disbursements without proper supporting documentation could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "Supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Former bookkeeper paid the P.O. without verification of the product. System is in place for new bookkeeper to receipt product in full before payment is made.</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
Low	9	Ticket Sales		
New	<p>During our testing of ticket sales, we noted a ticket control sheet that did not agree to the actual tickets on hand. Based on our review of the ticket sales reports, we noted that the ticket control sheet was not updated for one event where tickets were sold.</p> <p>All ticket sales should be documented on the ticket control sheets to reflect an accurate ticket inventory record.</p>		<p>The Internal Accounts Handbook (Section 4.04(a)(ii)) states that the "Ticket Control Sheet is an ongoing inventory system, where ticket numbers are recorded as they are issued to be sold at an event and reflects the current tickets remaining in inventory. The Ticket Control Sheet should be updated after each ticketed event." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper did not complete ticket control sheet prior to leaving her position. Controls are in place to require bookkeeping completion prior to an employee's last day</p> <p><b>ECD:</b> 8/28/2014</p> <p><b>Principal Responsible:</b> Judith Thayer</p>

Rating	Issues		Recommendation	Management Response
High	1	Yearbook		
<b>Recurring</b>	<p>During our testing of the yearbook reconciliation and inventory, that there were 12 more yearbooks on hand than the ending inventory quantity shown on the reconciliation. The additional 12 yearbooks were "free" yearbooks provided by the vendor in excess of the original order. Although the yearbook reconciliation template includes a space for books received over the order quantity ("excess of original order"), the additional 12 "free" yearbooks were not recorded or accounted for on the reconciliation.</p> <p>All yearbooks received from the vendor should be accounted for on the yearbook reconciliation to evidence fiscal accountability for all monies collected and yearbooks sold.</p> <p>Without the proper controls surrounding yearbook sales, inventory, and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> The reconciliation form is filled out by the yearbook sponsor yearly. While filling out the form (provided to the school by the district via the auditor); the yearbook editor did not note a place to reflect the yearbooks that were given to the school 'gratis'. Although there is a place to place yearbooks that are delivered in excess of the original amount ordered. The editor didn't believe this an appropriate placement since a dollar amount is associated with it.</p> <p>It is the bookkeepers understanding that she not complete these forms but will assist the editor in the future to make sure the forms are filled out completely. Making note that the 'free' books should be placed under 'excess of the original ordered' and -0- should be placed under price.</p> <p><b>ECD:</b> 9/26/2014</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
High	2	Travel Expenditures		
New	<p>During our testing of disbursements, we noted the following regarding check 495:</p> <ul style="list-style-type: none"> <li>This disbursement was to reimburse an employee for travel expenses (meals, parking, and mileage) that occurred on June 16-18 to attend Professional Learning Communities training in Orlando. Per discussion with District personnel, we noted that the travel was curricular-related and that District budget (operating) funds were available to cover the expenses at the time of the travel.</li> <li>Per review of the yearend memorandum provided to all schools on April 13, 2014, the following was stated: <ol style="list-style-type: none"> <li>All purchase requisitions must be entered and approved by the Principal by May 23<sup>rd</sup>, and that purchases of an emergency nature will be permitted after this date;</li> <li>Travel requests for out of county travel that will occur during the 2013/14 fiscal year must be entered into SunGard and approved by Principal by May 23<sup>rd</sup>; and</li> <li>On-line travel reimbursement requests must be entered into SunGard and if necessary approved by Principal no later than June 24<sup>th</sup>.</li> </ol> </li> <li>The amount reimbursed for meals exceeded the allowed amount under the District's travel guidelines by at least \$85.72, as confirmed with District Accounts Payable. In addition, the amount reimbursed for meals exceeded the total of attached meal receipts by \$5.</li> </ul>		<p>The Internal Accounts Handbook (Section 5.03(c)) lists categories of expenditures disallowable from internal funds, which include "curricular-related travel...or other items for which District budget funds are available."</p> <p>The Internal Accounts Handbook (Section 5.06) states the guidelines for out-of-District travel reimbursements including that "per diem shall be paid for overnight travel in accordance with School Board policy."</p> <p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>The Internal Accounts Handbook (Section 5.05(b)(i)) also states that "in instances where a purchase order cannot be issued, reimbursement to an individual (not a student) for food, flowers and similar items is allowable, along with a convenience fee not to exceed 7% of the total purchase." The convenience fee should not exceed the amount of tax actually paid by the employee requesting reimbursement.</p> <p>We recommend the above policies be followed without exception.</p>	<p><b>Response:</b> We concur with the finding and will refer to the internal account handbook and ensure compliance going forward.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
High	2	Travel Expenditures - continued		
New	<ul style="list-style-type: none"> <li>No agenda was attached with the request for reimbursement of travel expenses, as required under District travel guidelines.</li> <li>This travel related reimbursement included an improper payment of convenience fees, which are only allowed for purchase of internal accounts related items. Convenience fees can be reimbursed in those instances when a purchase order cannot be issued and items must be purchased from a vendor for which no corporate account has been set up. In addition, the convenience fee exceeded the amount of the sales tax paid for eight purchases (3 parking and 5 meals). The reimbursement amount was calculated by removing the 6.5% sales tax paid and then adding a 7% convenience fee for reimbursement to the employee.</li> </ul> <p>To reduce the risk related to the use of internal accounts funds, the District prohibits the use of internal funds for certain categories of purchases. Disbursements should be made in compliance with District guidelines.</p>			

Rating	Issues		Recommendation	Management Response
High	3	Accounts Receivable and Returned Checks		
New	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and trial balance reports was \$935.10, which did not match the year-end documentation by the bookkeeper, which noted that no checks were pending reimbursement as of year-end.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> We believe there was an error when processing an NSF reimbursement check and it posted to the wrong account. A self audit is being done by the bookkeeper to verify all NSF Checks</p> <p><b>ECD:</b> 9/1/2014</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
High	4	Authorization of Disbursements		
New	<p>During our test of cash disbursements, we noted that check 343 included a reimbursement for a purchase made on 7/22/2013, but the materials requisition form was not approved by the principal until 8/8/2013.</p> <p>Disbursements that do not have proper approval prior to the purchase could result in overspending of the budget or misappropriations of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Check #343 included receipts from 3 didn't materials requisition forms. The receipt in question should have been attached to a form that was turn in June 27, as it related to a different event and was included in that request total. Bookkeeper will triple check before stapling receipts.</p> <p><b>ECD:</b> 9/26/14</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
High	5	Frequency of Deposits		
New	<p>During our testing of cash receipts, we noted RMC 73960 had monies collected on 3/14/2014 but not picked up by the courier until 4/1/2014.</p> <p>Deposits not made within five (5) business days could result in inaccurate records and misappropriated funds.</p>		<p>The Internal Accounts Handbook (Section 4.03(a)) states funds collected must be deposited within five working days of receipt. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> This past staff member completed the money collected form before leaving for spring break and negated to turn it in. Bookkeeper will be more diligent when it comes to accepting incorrectly completed money collected forms, and make sure that all staff know the rules.</p> <p><b>ECD:</b> 9/1/2014</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
High	6	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>One monies collected form for which money was collected on 3/12/2014 that was not remitted to the bookkeeper until 3/14/2014.</li> <li>One monies collected form for which money was collected on 12/19/2013 that was not remitted to the bookkeeper until 1/6/2014.</li> </ul> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> In the instance of the money collected from 12/19 the presenter is in the habit of writing the check date on the money collected form, not the date it was turned in.</p> <p>This has been addressed. She has been instructed in the correct process.</p> <p><b>ECD:</b> 9/1/2014</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>



Rating	Issues		Recommendation	Management Response
Moderate	7	Extended Day Collections		
New	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> The Past Ext. Day Coordinator; on this occasion – allowed these children to attend for one week while holding their mothers check until payday. While she knew this wasn't policy, she didn't want the children to go home to an empty house.</p> <p>As stated above, she is the Past coordinator, the past coordinator – the new coordinator has a better grasp of the state and district level rules.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
Low	8	Frequency of Disbursements		
New	<p>During our testing of cash disbursements we noted the following:</p> <ul style="list-style-type: none"> <li>• Check 340 was paid 79 days after the invoice date.</li> <li>• Check 362 was paid 75 days after the invoice date.</li> </ul>		<p>We recommend that payments be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.</p>	<p><b>Response:</b> These were disbursements for site licenses for the school that begin on Sept 1. Bookkeeper was working off that date.</p> <p>Bookkeeper will follow the regulations in the internal accounts handbook regarding disbursements.</p> <p><b>ECD:</b> 9/1/2014</p> <p><b>Principal Responsible:</b> Amanda Riedl</p>

Rating	Issues		Recommendation	Management Response
<b>Moderate</b>	<b>1</b>	<b>Donation Approval</b>		
<b>Recurring</b>	<p>During our testing of cash receipts, we noted that Superintendent approval was not obtained for a donation from the PTO of \$4,500, as required by School Board Rules.</p> <p>The District's policies require prior approval of proposed gifts to ensure all gifts are consistent with the overall mission, objectives and goals of the District.</p>		<p>Article XI, "Gifts, Bequests and Donations" of the Internal Accounts Handbook states, "Proposed gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent. Gifts accepted in the \$3,000 to \$9,999 category will be reported to the School Board by the Superintendent in a monthly report."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Donation paperwork has been completed and sent to the district for approval of this donation.</p> <p><b>ECD:</b> Immediate action has been taken</p> <p><b>Principal Responsible:</b> Kyle Dresbak</p>

Rating	Issues		Recommendation	Management Response
<b>High</b>	<b>2</b>	<b>Daily Cash Collection</b>		
<b>New</b>	<p>During our test of cash receipts, we noted one monies collected form for which money was collected on 9/20/2013 that was not remitted to the bookkeeper until 9/24/2013.</p> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Funds were dropped into the safe the night of 9/20/2013; 9/21/2013-9/22/2013 were weekend days. Bookkeeper did not get the funds out of the safe until 9/24/2013 to complete the deposit. Bookkeeper to make sure all funds in safe are checked daily to ensure dates are correct and within compliance.</p> <p><b>ECD:</b> Immediate action has been taken</p> <p><b>Principal Responsible:</b> Kyle Dresbak</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Property Purchase Reporting		
New	<p>During our cash disbursements testing, we noted a purchase of a camera for which the purchase amount exceeded the District's \$1,000 capitalization threshold (check 21238). The school did not self-report the purchase to the District for property control reporting purposes. The property was not recorded into the school's property inventory and was not tagged with identification tags from the District prior to year end.</p> <p>Property purchases must be in accordance with District guidelines to minimize risk of misappropriation and to ensure the assets are added to the District-wide inventory records accurately.</p>		<p>Per the Internal Accounts Handbook (Section 8.01(b)), "For property purchases or donations exceeding the District's capitalization threshold, notification to the District office is required and is the responsibility of the school principal or property custodian. A full description of any equipment or property must be given, including make, model, serial number, acquisition date, and total cost or fair market value of donated property. A supporting purchase order and invoice must also be provided for property purchases."</p> <p>Additionally, Section 8.01(e) states that, "The school principal or property custodian is responsible for ensuring that District issued identification tags are properly affixed to all acquired property."</p> <p>We recommend that the above policies be followed without exception.</p>	<p><b>Response:</b> The purchase was reported to the District on 7/7/2014 in response to email request for information on the purchase from District Property Control/ Purchasing. The tags for the cameras are in route from Joseph Outlaw as of 8/11/2014 and will be placed on the cameras as soon as received.</p> <p><b>ECD:</b> Immediate action has been taken</p> <p><b>Principal Responsible:</b> Kyle Dresbak</p>

Rating	Issues		Recommendation	Management Response
Low	4	Accounts Receivable and Returned Checks		
New	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$1,165, which did not match the listing of checks pending reimbursement, which totaled \$1,177.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> The difference in balances was \$12.00 in which a parent came into the school and paid an NSF check for \$12.00 over what was owed. Correction will be made and the account will be monitored more closely to avoid out of balance status.</p> <p><b>ECD:</b> Immediate action has been taken</p> <p><b>Principal Responsible:</b> Kyle Dresbak</p>

Rating	Issues		Recommendation	Management Response
Moderate	1	Sales Tax		
New	<p>During our testing of disbursements, we noted that check 2164 which was for items for resale did not include sales tax. Furthermore, the sales tax was not paid to the Florida Department of Revenue. The District is subject to sales tax when items purchased are for resale; therefore sales tax should have been paid.</p>		<p>The Internal Accounts Handbook (Section 5.04(a)) states all items purchased for resale are subject to Florida Sales Tax unless specifically exempted. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Ocean Palms Elementary is aware that previous purchases made by the School Store deducted sales tax in error. From this point forward, any purchases for our School Store will include sales tax to our vendors. The School Store teacher sponsor has been made aware of this error and will take corrective action in future purchases.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Jessica Richardson</p>

Rating	Issues		Recommendation	Management Response
High	1	Extended Day Audits		
New	<p>During our testing of extended day documentation, we were unable to determine that the sample audits of attendance sheets and schedule of fees charged and fees paid quarterly were performed by the principal as required.</p> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <p>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</p> <p>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</p> <p>We recommend that the principal's quarterly sample audits of attendance and fees be documented with details of audits performed, results and principal sign-off and date.</p>	<p><b>Response:</b> Extended Day Coordinator failed to perform the quarterly audits with the principal for the 2013-14 school year. Audits will begin as requested.</p> <p><b>ECD:</b> The first audit will be performed at the end of the first quarter in October FY15.</p> <p><b>Principal Responsible:</b> Tina Waldrop</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Safe Combination		
New	<p>Per discussion with the bookkeeper, the combination to the safe is known by the principal, bookkeeper, assistant principal, extended day coordinator, receptionist, and the cafeteria manager.</p> <p>The combination should be protected to ensure safeguarding of assets.</p>		<p>The Internal Accounts Handbook (Section 2.08(a) and (c)) states that each school "shall use a safe, vault, or night depository for the protection of money received" and that "only the principal, bookkeeper, and principal's designee shall have knowledge of the combination." Typically the designee is an assistant principal. We recommend that knowledge of the safe combination be limited as stated by this policy.</p>	<p><b>Response:</b> Before this year we had a combination stand-alone safe. This safe had no drop box, so the extended day coordinator and cafeteria manager both needed access to the safe for after hour deposits. The receptionist was given access in the event the principal, asst. principal and bookkeeper were away from the office at the same time as the morning courier pick-ups which usually occur around 9:00am. At this time, the extended day coordinator and the cafeteria manager are not in the office area. The safe was replaced with a drop box last year, but we did not think to correct the number of people with access.</p> <p>Effective with 14-15 fiscal year, access by receptionist, extended day coordinator and cafeteria manager has now been taken away and only the principal, asst. principal and bookkeeper have access.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Tina Waldrop</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Expenditures Requiring Purchase Orders		
New	<p>During our test of cash disbursements, we noted that no purchase order was created for one applicable purchase.</p> <p>Expenditures that do not go through the proper purchasing process could result in overspending of the budget or misappropriation of funds.</p>		<p>All disbursements require a system generated purchase order, except for the transaction types listed in Section 5.03(e) of the Internal Accounts Handbook. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Notice was sent by District Office that no requisitions were to be entered past May 23, 2014. Bookkeeper questioned this date with Finance Office and date was extended through June 6, 2014. At that time the invoice from Leonard's for the yearbook balance had not been received. When it was received, the June 6<sup>th</sup> deadline had passed. In the future, bookkeeper will remember to create a requisition to cross over to eliminate a straight pay.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Tina Waldrop</p>

Rating	Issues		Recommendation	Management Response
Moderate	4	Authorization of Disbursements		
New	<p>During our testing of disbursements, we noted that the internal accounts section of the materials requisition form was not completed for checks 1796, 1799, 1833, 1862, and 1891.</p> <p>Disbursements without complete purchase request documentation prior to the purchase could result in overspending of the budget or misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form should identify the Internal Account funding source and that the principal should ensure that sufficient funds are available to fund the purchase.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper has never listed this information, but instruction is taken and will from this point forward.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Tina Waldrop</p>



Rating	Issues		Recommendation	Management Response
High	1	Fundraising Activity		
Recurring	During our testing of fundraising activities, we noted that there were no required forms or supporting documentation on file regarding our selected fundraiser.		The Internal Accounts Handbook (Section 4.05 (b) and (g)) states the Principal shall control the fundraising activities conducted in the name of the school, and that all fundraising requests shall be documented on a District authorized fundraising activity form accompanied by the District authorized supporting fundraising checklist. Refer to Appendix II Exhibits 4 and 5 for the appropriate fundraising forms allowable by the District.	<b>Response:</b> This fundraiser was established by the Principal.
	Failure to completely follow District policies related to the use of fundraiser reconciliations could result in an inability to ensure the fundraising activity is fully and accurately captured in the internal accounts fund.		We recommend the above policies be followed without exception.	All fundraisers, including those established by the Principal, will have all supporting documentation.  <b>ECD:</b> Immediately (8/11/2014)  <b>Principal Responsible:</b> Kim Dixon

Rating	Issues		Recommendation	Management Response
Moderate	2	Extended Day Disbursements		
Recurring	<p>During our test of extended day cash disbursements, we noted the following:</p> <ul style="list-style-type: none"> <li>The extended day fees collected in December were not remitted to the District until 1/17/2014.</li> <li>Amounts disbursed from the extended day account exceeded revenues by \$77 for the year. The account was overdrawn by this amount at 6/30/2014.</li> </ul> <p>Inaccurate records and delayed remittances may limit the district's ability to properly monitor funds for collection and compliance with district guidelines.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(vi)) states that all extended day fees "collected each month shall be transferred by the school to the District Finance Office by the 10th of the month following the month of collection."</p> <p>The Internal Accounts Handbook (Section 7.01(d) also states that any negative ending account balances should be cleared up during year end close.</p> <p>We recommend that the above policies be followed without exception.</p>	<p><b>Response:</b> (1) A system was established the previous year that required the Bookkeeper to run the monthly report and give it to the Extended Day Coordinator who would then complete the proper form. However, in this instance, after returning from Winter break, the Extended Day Coordinator was on vacation and did not return until the following week. The form was not turned in until the day it was due to the District Office. This delay resulted in the proper paperwork not arriving at the appropriate district office on time. In the future, a designee will be assigned to complete the proper forms in the event of our Extended Day Coordinator's absence.</p> <p>(2) The Extended Day account was overdrawn by \$77.00 due to the Bookkeeper running an incorrect report while preparing for the end of the year closing. In the future the Bookkeeper will be more careful while running reports.</p> <p><b>ECD:</b> August 18, 2014</p> <p><b>Principal Responsible:</b> Kim Dixon</p>

Rating	Issues		Recommendation	Management Response
Low	3	Extended Day Collections		
<b>Recurring</b>	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> We have changed our policy. Parents must pay for the 1<sup>st</sup> AND last week's tuition upon enrolling their children in extended day. This will ensure that everyone stays 1 week ahead and ensure all fees are collected in advance of the child's participation in extended day.</p> <p><b>ECD:</b> August 18, 2014</p> <p><b>Principal Responsible:</b> Kim Dixon</p>

Rating	Issues		Recommendation	Management Response
Moderate	4	Accounts Receivable and Returned Checks		
<b>New</b>	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$762, which did not match the listing of checks pending reimbursement, which totaled \$553.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> A complete and accurate list had not been completed to match the AR balance at the time of the audit. The corrected list has been completed and submitted to the auditors that balances to the AR report. A new tracking system has been established for the future.</p> <p><b>ECD:</b> 8/29/2014</p> <p><b>Principal Responsible:</b> Kim Dixon</p>

SCHOOL: PACETTI BAY MIDDLE SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/11/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		Response: N/A ECD: N/A Principal Responsible: Jay Willets

SCHOOL: PALENCIA ELEMENTARY SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/12/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		<b>Response:</b> N/A <b>ECD:</b> N/A <b>Principal Responsible:</b> Allen Anderson

Rating	Issues		Recommendation	Management Response
High	1	Yearbook		
Recurring	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>The yearbook reconciliation was out of balance by \$30.</li> <li>There were 31 less yearbooks on hand than shown on the reconciliation.</li> </ul> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information. Further, Section 9.04(a)(ii) states that the "secretary/bookkeeper should also observe and count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy."</p> <p>We recommend that these policies be followed without exception.</p>	<p><b>Response:</b> Some yearbooks were overlooked and not brought down for the auditors. We will insure that all books are brought down prior to auditor visit. The number was off by 3 books.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Clay Carmichael</p>

Rating	Issues		Recommendation	Management Response
High	2	Completion of Report of Monies Collected Forms		
New	<p>During our testing of cash receipts, we noted that error corrections on RMC 54204 were not made in accordance with the Internal Funds Handbook.</p> <p>Incomplete or inaccurate monies collected forms could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 4.01(a)) states the requirements for Monies Collected Forms, including that any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> We will be sure to critique monies collected forms to insure compliance in the future.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Dr. Clay Carmichael</p>

SCHOOL: PONTE VEDRA HIGH SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/5/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		<b>Response:</b> N/A <b>ECD:</b> N/A <b>Principal Responsible:</b> Steve McCormick

Rating	Issues		Recommendation	Management Response
High	1	Accounts Receivable and Returned Checks		
Recurring	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$913, which did not match the listing of checks pending reimbursement, which totaled \$343.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> The original discrepancy in the accounts receivable and returned checks occurred during the previous school year. Steps are in process to correct this error.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> This requirement will be reviewed with the Extended Day Coordinator to ensure that all fees are paid in advance of student participation.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>



Rating	Issues		Recommendation	Management Response
High	3	Authorization of Disbursements		
New	<p>During our test of cash disbursements, we noted the following:</p> <ul style="list-style-type: none"> <li>Check 805 paid an invoice dated 5/30/2014, but the materials requisition form was not approved by the principal until 6/3/2014.</li> <li>The principal's approval of the materials requisition forms was not dated for check 679. We were therefore unable to verify proper prior approval of the related purchases.</li> </ul> <p>Disbursements that do not have proper approval prior to the purchase could result in overspending of the budget or misappropriations of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Every attempt will be made to ensure all purchases are signed and approved in advance by the principal.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>

Rating	Issues		Recommendation	Management Response
High	4	Yearbook		
New	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>There were 11 less yearbooks on hand than shown on the reconciliation.</li> <li>We were unable to agree the quantity of yearbooks sold per the yearbook reconciliation to the supporting sales records.</li> <li>We were also unable to agree the quantity of yearbooks received per the yearbook reconciliation to the supporting vendor packing slip.</li> </ul> <p>Without the proper controls surrounding yearbook sales, inventory, and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Will ensure procedure is followed and all information is complete and maintained properly by yearbook class sponsor</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>

Rating	Issues		Recommendation	Management Response
High	5	Extended Day Reconciliations		
<b>New</b>	<p>During our testing of extended day documentation, we noted the following:</p> <ul style="list-style-type: none"> <li>We were unable to determine whether the principal reviewed the monthly reconciliations of extended day fees.</li> <li>The reconciliation documentation for one selected month did not include a copy of the Quickbooks report to evidence that the extended day revenue schedules were reconciled to the school accounting system revenue reports.</li> </ul> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <p>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</p> <p>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</p> <p>We recommend that the bookkeeper perform and document a monthly reconciliation of the extended day receipts between the extended day records and the SunGard records. The principal should review the reconciliation, resolve variances, and document this review by sign off.</p>	<p><b>Response:</b> The Principal reviews the Extended Day reconciliation on a monthly basis and quarterly audits are prepared and reviewed by the Principal. Bookkeeper maintains copies of documentation. In the future, Extended Day Coordinator will maintain copies of principal signed documentation as well. Monthly Reconciliation form is being created.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>

Rating	Issues		Recommendation	Management Response
Moderate	6	Expenditure Support		
New	<p>During our test of disbursements, we noted that the supporting documentation for check 684 included a summary receipt with no detail of what was purchased.</p> <p>Disbursements without proper supporting documentation could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "Supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Receipts which substantiate purchase will be acquired in future</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Kathleen Furness</p>

Rating	Issues		Recommendation	Management Response
High	1	Completion of Report of Monies Collected Forms		
<b>Recurring</b>	<p>During our testing of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>Multiple RMCs were numbered the same (RMCs 66247, 58144, 64014, 68380). The monies collected were from various sources and the forms were completed by varying teachers.</li> <li>One monies collected form (RMC 81693) did not contain an official receipt number.</li> </ul> <p>The District's monies collected procedures call for unique numbering of monies collected forms that corresponds to the system receipt numbers. This ensures that receipts are issued in numerical order and can be uniquely identified both within the accounting system and on hardcopy forms.</p>		<p>The Internal Accounts Handbook, Section 4.01(a)(ii) states that if monies have been collected from more than one source, a separate Report of Monies Collected Form shall be completed for each source. Section 4.01(a)(v) states that each monies collected form shall be identified by the corresponding pre-numbered, secured electronic receipt number representing the collection and filed in numerical sequence.</p> <p>We recommend the bookkeeper review the requirements for monies collected forms and ensure compliance without exception.</p>	<p><b>Response:</b> Every attempt is made to follow the Internal Accounts Handbook policy regarding the official receipt numbering on RMC's. The current procedure was carried over from training by previous Bookkeeper. We have discussed the appropriate procedures for providing pre-numbered, secured electronic receipt numbering on multiple RMC's and the importance of ensuring all RMC's contain an official receipt number. In the future, this process will be set forth to ensure compliance with the Internal Accounts Handbook.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Tom Schwarm</p>

Rating	Issues		Recommendation	Management Response
High	2	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>One monies collected form for which money was collected on 12/10/2013 that was not remitted to the bookkeeper until 12/16/2013.</li> <li>One monies collected form for which money was collected on 9/30/2013 that was not remitted to the bookkeeper until 10/3/2013.</li> </ul> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Every attempt is made to follow the Internal Accounts Handbook on delivery of funds collected and supporting report of monies collected to bookkeeper on same day of collection. In the future, we will set forth this policy without exception.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Tom Schwarm</p>

Rating	Issues		Recommendation	Management Response
Low	3	Accounts Receivable and Returned Checks		
New	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$720, which did not match the listing of checks pending reimbursement, which totaled \$685.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Every attempt is made to follow the Internal Accounts Handbook regarding the Accounts Receivable ending total on the Cash Balance Report in agreement with balance of returned checks pending reimbursement from the collection agency at the end of the month. In review of our Accounts Receivable balance it appears our carry over balance for the beginning of school year started with a \$35.00 difference. A Journal Entry adjustment of this amount will be requested to the District Office to begin 2014-15 school year with balanced Accounts Receivable Account. In the future, a monthly reconciliation process of returned checks pending reimbursement will be followed without exception to ensure appropriate balance for these accounts.</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Tom Schwarm</p>

SCHOOL: GAMBLE ROGERS MIDDLE SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 7/31/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		Response: N/A ECD: N/A Principal Responsible: Greg Bergamasco

SCHOOL: SEBASTIAN MIDDLE SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/11/2014

Rating	Issues	Recommendation	Management Response
	No comments for this school.		Response: N/A ECD: N/A Principal Responsible: Kelly Battell



Rating	Issues		Recommendation	Management Response
High	1	Extended Day Reconciliations and Audits		
Recurring	<p>During our testing of extended day documentation, we noted that the following were not performed during the year:</p> <ul style="list-style-type: none"> <li>Monthly reconciliations of extended day fees collected, and</li> <li>Principal review of monthly reconciliations</li> </ul> <p>Also, the Principal's sample audit of attendance sheets and schedule of fees charged and fees paid quarterly was not performed for several months of the year.</p> <p>Lack of monitoring of extended day fees charged and paid can result in erroneous records or loss of revenues.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(viii)) states that fees must be reconciled with attendance records and balanced monthly. The principal must resolve any variances monthly. The principal is required to perform the following monitoring procedures:</p> <p>a) Review the attendance schedules, Extended Day revenue schedules, and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by principal, including sign-off and date of review.</p> <p>b) Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit.</p> <p>We recommend that the bookkeeper perform and document a monthly reconciliation of the extended day receipts between the extended day records and the SunGard records. The principal should review the reconciliation, resolve variances, and document this review by sign off.</p> <p>We also recommend that the principal perform quarterly sample audits of attendance and fees. The documentation of the review and audits should include the date and sign off by the principal.</p>	<p><b>Response:</b> Procedures are being implemented to make sure monthly reconciliations are completed and also the Principal's sample audit of attendance is completed quarterly.</p> <p><b>ECD:</b> August 2014</p> <p><b>Principal Responsible:</b> Cathy Hutchins</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Fees not paid in advance can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01(g)(ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> We are aware of this on-going issue. We are making an effort to get parents to pay before services are rendered.</p> <p><b>ECD:</b> August 2014</p> <p><b>Principal Responsible:</b> Cathy Hutchins</p>

Rating	Issues		Recommendation	Management Response
High	1	Completion of Report of Monies Collected Forms		
Recurring	<p>During our testing of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>RMC 59539 did not include the date of initial collection.</li> <li>RMC 80660 did not include did not include the date of remittance to the bookkeeper.</li> </ul> <p>Inadequate completion of monies collected forms could be an indication that monies are not being deposited as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook, Section 4.01(a)(iv) states the requirements for monies collected forms, which include the actual date collected by the teacher/sponsor and date monies were received from the teacher/sponsor and verified by the secretary/bookkeeper.</p> <p>We recommend the bookkeeper review the requirements for monies collected forms and ensure compliance without exception.</p>	<p><b>Response:</b> Bookkeeper Error - The bookkeeper will review the requirements for monies collected and ensure compliance without exception. Principal will revisit this with the bookkeeper on a quarterly basis: Oct., Dec., March and June.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
High	2	Fundraising Activity		
Recurring	<p>During our testing of fundraising activities, we noted that there were no required forms or supporting documentation on file regarding our selected fundraiser.</p> <p>Failure to completely follow District policies related to the use of fundraiser reconciliations could result in an inability to ensure the fundraising activity is fully and accurately captured in the internal accounts fund.</p>		<p>The Internal Accounts Handbook (Section 4.05 (b) and (g)) states the Principal shall control the fundraising activities conducted in the name of the school, and that all fundraising requests shall be documented on a District authorized fundraising activity form accompanied by the District authorized supporting fundraising checklist. Refer to Appendix II Exhibits 4 and 5 for the appropriate fundraising forms allowable by the District.</p> <p>We recommend the above policies be followed without exception.</p>	<p><b>Response:</b> No fundraising form on file. Bookkeeper directed to manage all fundraising forms per Internal Accounts handbook sec. 4.05.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Accounts Receivable and Returned Checks		
Recurring	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$970, which did not match the listing of checks pending reimbursement, which totaled \$855.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper error - The bookkeeper will verify the cash balance report/listing of checks pending reimbursement.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
Moderate	4	Funds in Non Qualified Public Depository		
Recurring	<p>During testing of the cash balances, we noted that the school has an investment account with Raymond James, which is not a qualified public depository.</p> <p>Section 280.03(1)(b) of the Florida State Statutes states the following: <i>"Public deposits shall be made in a qualified public depository unless exempted by law."</i></p> <p>Florida's Qualified Public Deposit Program protects public depositors from loss of public funds deposited in state financial institutions.</p>		<p>We recommend the school move their funds to a bank authorized to hold public deposits through designation as a qualified public depository, as required by Florida Statute. The list of active qualified public depositories can be found on the Florida Department of Financial Services website at:</p> <p><a href="https://apps8.fldfs.com/CAP_Web/PublicDeposits/ActiveQPDDisplayList.aspx">https://apps8.fldfs.com/CAP_Web/PublicDeposits/ActiveQPDDisplayList.aspx</a>.</p>	<p><b>Response:</b> Recommendation noted. District CFO supports to continue the investment account with Raymond James.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
High	5	Daily Cash Collection		
New	<p>During our test of cash receipts, we noted the following:</p> <ul style="list-style-type: none"> <li>One monies collected form for which money was collected on 9/20/2013 that was not remitted to the bookkeeper until 9/24/2013.</li> <li>One monies collected form for which money was collected on 4/30/2014 that was not remitted to the bookkeeper until 5/2/2014.</li> </ul> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Monies collected after bookkeeper hours are dropped in the safe. The bookkeeper retrieves the money upon return. All efforts will be made to deliver monies collected during bookkeeper hours, however, in the absence of the bookkeeper, monies collected will remain in the safe.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
High	6	Accuracy of Report of Monies Collected Forms		
New	<p>During our testing of deposits, we noted that the cash amounts on the deposit slips for three deposits (IC010424, IC007947 and IC010624) were not consistent with cash as reported on the monies collected forms. In total, the deposit amounts agreed to the monies collected forms.</p> <p>Inconsistencies between the monies collected forms and the deposit slip could be an indication that monies are not being deposited intact or as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook, Section 4.02 (g) states that the bookkeeper shall reconcile the monies collected to the report of monies collected, document the pre-numbered electronic receipt number, sign off, and issue a carbon copy of the report of monies collected to the individual collecting monies. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper error - The bookkeeper will follow all recommendations. Bookkeeper will run a tape for each monies collected form to assure accuracy.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

SCHOOL: ST. AUGUSTINE HIGH SCHOOL

DATE OF ON-SITE VISIT AT THE SCHOOL: 8/6/2014

Rating	Issues		Recommendation	Management Response
Low	7	Frequency of Disbursements		
New	During our testing of cash disbursements we noted that check 1985 was paid 216 days after the invoice date.		We recommend that payments be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	<p><b>Response:</b> Invoice was not submitted for payment in a timely manner. Bookkeeper will run a monthly open PO report to identify unpaid invoices.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cathy Mittelstadt</p>

Rating	Issues		Recommendation	Management Response
Low	1	Authorization of Transfers/Adjustments		
Recurring	<p>During our testing of adjustments, we noted the adjustment selected was not supported by the District approved journal entry form. No documentation of principal approval was on file.</p> <p>The District's approved journal entry form should be used to evidence approval and explanation for all adjustment journal entries.</p>		<p>In accordance with Section 6.03, Transfers and Adjustments, of the Internal Accounts Handbook, "Adjustments are generally used when prior transactions need to be recorded or corrected. The principal must approve all adjustments by signing off on the Journal Entry form. The secretary/bookkeeper should also sign off on the Journal Entry form. Refer to Appendix II Exhibit 18 for the Journal Entry form required by the District."</p> <p>We recommend this policy be followed without exception.</p>	<p><b>Response:</b> We reviewed this section and will make sure a Journal Entry and proper signatures are included on all adjustments.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cynthia Williams</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Expenditure Support		
New	<p>During our test of disbursements, we noted that the supporting documentation for check 367 was a summary receipt that did not include a detail of what was purchased.</p> <p>Disbursements without proper supporting documentation could result in misappropriation of funds.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(c)) states that the "Supporting Material Requisition/Check Request form, invoice or receipt substantiating purchase, and check stub shall be maintained on file for all disbursements."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> In the future we will demand more details on the receipts/invoices before a reimbursement occurs.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cynthia Williams</p>

Rating	Issues		Recommendation	Management Response
<b>Moderate</b>	<b>3</b>	<b>Sales Tax</b>		
<b>New</b>	<p>During our testing of disbursements, we noted that check 368 inappropriately included sales tax.</p> <p>The School Board is not subject to sales tax; therefore sales tax should not be paid unless purchasing items for resale.</p>		<p>The Internal Accounts Handbook (Section 5.01(5)(k) states that, "Purchases are specifically exempted from sales and use tax, except for purchases for resale."</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> We will look closer at invoices to make sure sales tax is not included.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cynthia Williams</p>

Rating	Issues		Recommendation	Management Response
<b>Low</b>	<b>4</b>	<b>Yearbook</b>		
<b>New</b>	<p>During our testing of the yearbook reconciliation, we noted that the yearbook reconciliation was out of balance by \$130.</p> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> We have reviewed the procedures sales, with our Yearbook Sponsor and the importance of creating detailed records of sales.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Cynthia Williams</p>



Rating	Issues		Recommendation	Management Response
Low	1	Accounts Receivable and Returned Checks		
Recurring	<p>During our test of returned checks, we noted that the accounts receivable balance per the cash balance and detailed trial balance reports was \$285, which did not match the listing of checks pending reimbursement, which totaled \$350.</p> <p>The bank reconciliation procedures include a step for verification of the accuracy of the accounts receivable amount on the cash balance report. Bank reconciliations are a means to detect errors and misappropriation of funds.</p>		<p>In accordance with Section 6.05 Returned Checks of the Internal Accounts Handbook, "The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month." We recommend this policy be followed without exception.</p>	<p><b>Response:</b> Procedure will be in place to improve tracking of NSF checks</p> <p><b>ECD:</b> Immediately</p> <p><b>Principal Responsible:</b> Lisa Kunze</p>

Rating	Issues		Recommendation	Management Response
High	2	Yearbook		
New	<p>During our testing of the yearbook reconciliation, we noted that the balancing line item was not included. We recalculated the reconciliation using the standard balancing formula, noting it was out of balance by \$3,343.</p> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> There was some confusion on filling out the form. Form was corrected and all balanced.</p> <p><b>ECD:</b> Done</p> <p><b>Principal Responsible:</b> Lisa Kunze</p>

Rating	Issues		Recommendation	Management Response
Moderate	3	Donation Approval		
New	<p>During our testing of cash receipts, we noted that Superintendent approval was not obtained for a donation from the PTO of \$4,000, as required by School Board Rules.</p> <p>The District's policies require prior approval of proposed gifts to ensure all gifts are consistent with the overall mission, objectives and goals of the District.</p>		<p>Article XI, "Gifts, Bequests and Donations" of the Internal Funds Handbook states, "Proposed gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent. Gifts accepted in the \$3,000 to \$9,999 category will be reported to the School Board by the Superintendent in a monthly report."</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> Bookkeeper did not process donation form for PTSO scholarship. This was an oversight.</p> <p><b>ECD:</b> All donations will be processed in the correct manor effective immediately.</p> <p><b>Principal Responsible:</b> Lisa Kunze</p>

Rating	Issues		Recommendation	Management Response
High	1	Daily Cash Collection		
Recurring	<p>During our test of cash receipts, we noted one monies collected form for which money was collected between 4/29/2014 and 5/1/2014 that was not remitted to the bookkeeper until 5/1/2014.</p> <p>Delays in the collection and recording process could result in inaccurate records and misappropriation of funds.</p>		<p>The Internal Accounts Handbook, Section 4.02(f) states that all funds collected and supporting report of monies collected shall be delivered to the bookkeeper on the day of collection. We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> This requirement was reviewed with teachers at the opening staff meeting. It was stressed that all monies must be remitted on the day of collection and that this is the expectation, without exception.</p> <p><b>ECD:</b> Completed 8/15/14</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
Moderate	2	Extended Day Collections		
Recurring	<p>During our test of extended day cash receipts, we noted a receipt for extended day services that was not collected in advance of the child's participation in the activity.</p> <p>Non advanced receipt of extended day program fees can result in loss of revenues due to the school and the inability to properly fund the costs of the program.</p>		<p>The Internal Accounts Handbook (Section 3.01 (g) (ii)) states that "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."</p> <p>We recommend that the principal review this requirement with the extended day coordinator to ensure that all fees are paid in advance of student participation in any extended day activities.</p>	<p><b>Response:</b> This requirement was reviewed with the Extended Day Coordinator. It was stressed that monies must be collected in advance of services, without exception.</p> <p><b>ECD:</b> Completed on 8/22/14</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
High	3	Yearbook		
New	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>We were unable to agree the yearbook sales amounts per the yearbook reconciliation documentation to the general ledger.</li> <li>We were unable to agree the total due to the vendor per the reconciliation details to the supporting invoice.</li> <li>The yearbook reconciliation was out of balance by \$850.</li> </ul> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> The expectations for maintaining accurate records regarding yearbook sales will be reviewed with the yearbook sponsor.</p> <p><b>ECD:</b> September, 2014</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
High	4	Intact Deposits		
New	<p>During our testing of fundraisers, we noted that funds were not deposited intact as initially collected for the Relay for Life fundraiser (smencils sale). Cash was disbursed from monies collected to pay an admission charge related to Relay for Life (\$100).</p> <p>We identified this occurrence after noting that the cash deposited from the fundraiser was not consistent with expected revenue based on the quantity of items sold. The fundraiser form contained a note that \$100 of monies collected was used to pay the Relay for Life admission.</p> <p>Cash receipts are required to be deposited intact to deter the substitution of checks for cash and the cashing of checks with cash collections.</p>		<p>The Internal Accounts Handbook, Section 6.01(c) states that all monies received by the school shall be deposited intact as collected and all disbursements will be made by check. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> This requirement was reviewed with staff. It will be followed without exception.</p> <p><b>ECD:</b> 8/18/14</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
High	5	Accuracy of Report of Monies Collected Forms		
New	<p>During our testing of deposits, we noted that the cash amounts on the deposit slips for two deposits (IC010705 and IC010771) were not consistent with cash as reported on the monies collected forms. In total, the deposit amounts agreed to the monies collected forms.</p> <p>Inconsistencies between the monies collected forms and the deposit slip could be an indication that monies are not being deposited intact or as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook, Section 4.02 (g) states that the bookkeeper shall reconcile the monies collected to the report of monies collected, document the pre-numbered electronic receipt number, sign off, and issue a carbon copy of the report of monies collected to the individual collecting monies. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> The process of maintaining accurate RMCs was reviewed with the secretary/bookkeeper. The policy will be followed without exception.</p> <p><b>ECD:</b> 8/18/14</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
High	6	Posting Errors		
New	<p>During our testing of the bank reconciliation, we noted the school's cash balance as of 6/30/2014 is understated by \$11,996.46 as four deposits of cash/check and one of credit card payments from May 2014 and June 2014 totaling this amount were not posted in the accounting system prior to year end.</p> <p>Timely posting of deposits and resolution of bank reconciliation differences is required to ensure accurate financial records and effective monitoring of internal funds by the principal.</p>		<p>The manual bank reconciliation procedures issued by the District include detailed instructions to verify the accuracy of all transactions made to the school's account. Unreconciled differences noted during the bank reconciliation are an indication of errors in the account activity and balance that should be corrected prior to period close.</p> <p>We recommend that unreconciled differences be researched, corrected, and documented on a timely basis and included with the principal's review of the monthly bank reconciliation.</p>	<p><b>Response:</b> This process was reviewed with the secretary/bookkeeper. Unreconciled differences will be corrected and documented and available for principal review with the monthly bank reconciliation.</p> <p><b>ECD:</b> 8/18/14</p> <p><b>Principal Responsible:</b> Christine Stephan</p>

Rating	Issues		Recommendation	Management Response
High	1	Yearbook		
New	<p>During our testing of the yearbook reconciliation, we noted the following:</p> <ul style="list-style-type: none"> <li>We were unable to agree the yearbook sales amounts per the yearbook reconciliation documentation to the general ledger.</li> <li>The yearbook sales in the Sungard sales section of the reconciliation improperly included the quantity and dollar amount of online sales received directly by the vendor.</li> <li>The yearbook reconciliation was out of balance by \$2,442.</li> </ul> <p>Without proper controls surrounding yearbook sales, inventory and cash collections could be misappropriated.</p>		<p>The Internal Accounts Handbook (Section 9.04(a)(i)) states that if yearbooks are sold by a school, then the yearbook class sponsor shall maintain specified required information.</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> Totals were accidentally entered in the wrong place. Reconciliation has been revised and corrected and now is in balance.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Edith Jarrell</p>

Rating	Issues		Recommendation	Management Response
High	2	Authorization of Disbursements		
New	<p>During our test of cash disbursements, we noted check 552 paid an invoice with order date 3/18/2014, but the materials requisition form was not approved by the principal until 4/2/2014. The related field trip form was approved by the assistant principal on 3/25/2014, after the order date.</p> <p>Disbursements that do not have proper approval prior to the purchase could result in overspending of the budget or misappropriations of funds.</p>		<p>The Internal Accounts Handbook (Section 5.02(a)) states that the Purchase Requisition form must be authorized by the principal prior to the purchase commitment.</p> <p>We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> These issues have been addressed and all staff members have been reminded of the policy. The principal will also double check the dates prior to approving requests.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Edith Jarrell</p>

Rating	Issues		Recommendation	Management Response
High	3	Accuracy of Report of Monies Collected Forms		
New	<p>During our testing of deposits, we noted that the cash amount on the deposit slip for one deposit (IC009433) was not consistent with cash as reported on the monies collected forms. In total, the deposit amount agreed to the monies collected forms.</p> <p>Inconsistencies between the monies collected forms and the deposit slip could be an indication that monies are not being deposited intact or as collected from the teachers/sponsors.</p>		<p>The Internal Accounts Handbook, Section 4.02 (g) states that the bookkeeper shall reconcile the monies collected to the report of monies collected, document the pre-numbered electronic receipt number, sign off, and issue a carbon copy of the report of monies collected to the individual collecting monies. We recommend the above policy be followed without exception.</p>	<p><b>Response:</b> The bookkeeper will total all of the cash then all of the checks when reconciling the monies collected report to be sure that cash and checks are reported properly.</p> <p><b>ECD:</b> Immediate</p> <p><b>Principal Responsible:</b> Edith Jarrell</p>

Rating	Issues		Recommendation	Management Response
High	1	Prohibited Expenditures		
New	<p>During our testing of disbursements, we noted that check 392 included a purchase of gift cards.</p> <p>To reduce the risk related to the use of internal accounts funds, the District does not allow purchases of gift cards.</p>		<p>The Internal Accounts Handbook (Section 5.03(d)(i)) states that, "The purchase of gift cards for any reason is prohibited, regardless of the source of the funds."</p> <p>We recommend that this policy be followed without exception.</p>	<p><b>Response:</b> We will ensure that this policy is followed in the future without exception.</p> <p><b>ECD:</b> 8/18/14</p> <p><b>Principal Responsible:</b> Bethany Nelson-Mitidieri</p>



