

AUDIT POINT SHEET

Entity: Rocky Boy Public Schools

Audit Period: June 30, 2018

Subject: Print Shop Billing

Condition: The Print Shop – Internal Service Fund of the District had the following internal control weaknesses:

- 1) The District Print Shop failed to bill for all services provided causing significant decrease in revenues to cover costs
- 2) The District does not have monitoring procedures to review the financial information of the print shop throughout the year.

Context: We completed a review of the print shops billing process, and analyzed the revenues in comparison to past years. Upon further inquiry and observation we determined that the prior year identified issues with the billing procedures of the print shop remained and not additional monitoring was put into place during fiscal year 2019.

- Criteria: 1) The District should have adequate policies and procedures in the print shop to ensure that the services provided are fully billed to ensure the revenues are adequate to meet the expenses.
 2) In addition, the District should have internal control monitoring procedures to identify when a funds revenues are not meeting expense needs, and determine reasons for unexpected changes in revenues and expenses to ensure the fund has adequate cash.

Effect: The District continued to not bill enough in services to cover expenses, and had to supplement the Print Shop – Internal Service Fund through expenses being paid from the General Funds totaling \$39,166 to prevent fund from having deficit cash.

- Cause: 1) The District does not have adequate internal control procedures and policies for billing the services provided by the print shop, and was not billing for all services provided.
 2) The District has not implemented monitoring procedures to analyze the activities of the Print Shop – Internal Service Fund on a timely basis.

- Recommendation: 1) We recommend that the Print Shop – Internal Service Fund review the billing procedures, and implement additional policies and procedures to ensure that all services being provided are billed to the customers.
 2) We recommend that the District implement monitoring procedures through monthly reviews of the fund financial statements, and periodic meetings with Print Shop – Internal Service Fund employees to ensure the fund is operating as it should and revenues are adequate to cover the expenses.

Auditee Response:

OPINION	Opinion Units	TYPE OF FINDING (Choose One):	
Unqualified	All Other, Gov Wide	Control deficiency (Pass Finding)	
		Significant deficiency	
		Material Weakness	x
		Material Compliance	
		Pass Finding - Compliance	
FEDERAL SECTION			
Federal Program:			
CFDA Title:			
CFDA Number:			
Federal Award Number and Year:			
Name of Federal Agency:			
Name of Pass-through Entity:			
TYPE OF FEDERAL FINDING (Choose One):		<i>Reminder: For federal questioned cost findings, include the identification of the question cost and how they were computed, whether the finding is an isolated instance or systematic problem, project errors to the population if applicable, the number of cases examined and quantify in dollars</i>	
Qualify Compliance Opinion?	Yes or No		
Control deficiency (Pass Finding)			
Significant deficiency			
Material Weakness			
Material Compliance			

Pass Finding - Compliance			
A	Activities allowed or unallowed	H	Period of availability of funds
B	Allowable costs/cost principles	I	Procurement
C	Cash management	J	Program income
D	Davis - Bacon Act	K	Real property acquisition and relocation assistance
E	Eligibility	L	Reporting
F	Equipment and real property management	M	Subrecipient monitoring
G	Matching, level of effort, earmarking	N	Special tests and provisions

Prepared by: JFM Date: 2/12/2020 Reviewed by: _____ Date: _____

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WP REF 403

APS # 4504.

AUDIT POINT SHEET

Entity: Rocky Boy Public Schools

Audit Period: June 30, 2019

Subject: Grant Reimbursement Requests

Condition: The District not making request of funds to grant agencies on a timely basis.

Context: The auditor noted a significant deficit cash balance in the District's Elementary Miscellaneous Programs Fund when performing risk assessments of the financial statements. The auditor gained an understanding of the procedures the District had for making reimbursement requests, and completed detailed testing of the grant program reimbursement requests during fiscal year.

Criteria: An adequate internal control system requires that the District has policies and procedures in place for ensuring that reimbursement type grants funding requests are submitted to granting agencies timely to ensure adequate cash flow to cover the costs incurred.

Effect: The District reported a deficit cash balance in the Elementary Miscellaneous Programs Funds totaling \$1,081,588 as there were significant amount of funds received in months after the end of the fiscal year.

Cause: The District is not following its procedures of making reimbursement requests every quarter, and is making request when time allows.

Recommendation: We recommend that the District implement monitoring procedures to ensure requests are being made at least on a quarterly basis, and consider changing procedures to require requests to be made on a monthly basis.

Auditee Response:

OPINION		Opinion Units	TYPE OF FINDING (Choose One):	
Unqualified			Control deficiency (Pass Finding)	
			Significant deficiency	
			Material Weakness	X
			Material Compliance	
			Pass Finding - Compliance	
FEDERAL SECTION				
Federal Program:				
CFDA Title:				
CFDA Number:				
Federal Award Number and Year:				
Name of Federal Agency:				
Name of Pass-through Entity:				
TYPE OF FEDERAL FINDING (Choose One):			<i>Reminder: For federal questioned cost findings, include the identification of the question cost and how they were computed, whether the finding is an isolated instance or systematic problem, project errors to the population if applicable, the number of cases examined and quantify in dollars</i>	
Qualify Compliance Opinion?		Yes or No		
Control deficiency (Pass Finding)				
Significant deficiency				
Material Weakness				
Material Compliance				
Pass Finding - Compliance				
If finding is a material federal compliance requirement, circle ALL that apply				
A	Activities allowed or unallowed	H	Period of availability of funds	
B	Allowable costs/cost principles	I	Procurement	
C	Cash management	J	Program income	

D	Davis – Bacon Act	K	Real property acquisition and relocation assistance
E	Eligibility	L	Reporting
F	Equipment and real property management	M	Subrecipient monitoring
G	Matching, level of effort, earmarking	N	Special tests and provisions

Prepared by: JFM Date: 2/12/2020 Reviewed by: _____ Date: _____

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WP REF B-12 .

APS # 4503 .

AUDIT POINT SHEET

Entity: Rocky Boy Public Schools

Audit Period: June 30, 2019

Subject: Enrollment – Repeated 2018-003

Condition: The Elementary enrollment counts reported to the Office of Public Instruction (OPI) in the Fall Count of fiscal year 2019 were understated one student. This is a repeat finding from the prior year audit.

Context: We compared the attendance register from the District’s Infinite Campus system to the enrollment counts reported to OPI.

Criteria: Adequate internal controls should be in place to accurately report enrollment counts and ensure the underlying attendance records agree to the reported counts and that students who have been consecutively absent for 10 or more days should not be counted.

Effect: The District understated the Elementary Fall Count of the 1st grade by 1 student.

Cause: The District did not have adequate controls in place to ensure the proper counts are reported accurately based on the underlying attendance records.

Recommendation: We recommend the District implement controls to ensure the enrollment counts are accurate and the underlying attendance records agree to the amount reported.

Auditee Response:

OPINION	Opinion Units	TYPE OF FINDING (Choose One):	
Unqualified		Control deficiency (Pass Finding)	
		Significant deficiency	X
		Material Weakness	
		Material Compliance	
		Pass Finding - Compliance	
FEDERAL SECTION			
Federal Program:			
CFDA Title:			
CFDA Number:			
Federal Award Number and Year:			
Name of Federal Agency:			
Name of Pass-through Entity:			
TYPE OF FEDERAL FINDING (Choose One):		<i>Reminder: For federal questioned cost findings, include the identification of the question cost and how they were computed, whether the finding is an isolated instance or systematic problem, project errors to the population if applicable, the number of cases examined and quantify in dollars</i>	
Control deficiency (Pass Finding)			
Significant deficiency			
Material Weakness			
Material Compliance			
Pass Finding - Compliance			
If finding is a material federal compliance requirement, circle ALL that apply			
A	Activities allowed or unallowed	H	Period of availability of funds
B	Allowable costs/cost principles	I	Procurement
C	Cash management	J	Program income
D	Davis – Bacon Act	K	Real property acquisition and relocation assistance
E	Eligibility	L	Reporting
F	Equipment and real property management	M	Subrecipient monitoring
G	Matching, level of effort, earmarking	N	Special tests and provisions

Prepared by: JFM **Date:** 2/12/2020 **Reviewed by:** _____ **Date:** _____

WP REF 510 _____

APS # 4502 _____