

Student Activity Fund - Internal Audit Status Report
Board Meeting: 24 February 2020

Period of Observation: July 2019-December 2019

Personnel Assigned: 3 - District Staff & 1 - School Staff

- Objective:**
- 1) Perform an internal audit review of all 6 schools
 - 2) Select a series of transactions to ensure schools are following the District procedures around handling of cash, paying vendors, purchase orders, depositing of cash, approval authority, orders, depositing of cash, approval authority, reconciliation of bank statement is timely and reviewed, and proper segregation of duties is observed.
 - 3) Discuss our findings with both the secretary, bookkeeper and Principal and explain what observed as good procedures and negative procedures.
 - 4) Request that each school prepare a corrective action plan when findings are in need of change.

Balances in the Student Activity Accounts:

	<u>Balance 07/01/19</u>	<u>Balance 12/31/19</u>	<u>Change</u>
Prescott	\$ 11,374.75	\$ 15,434.56	\$ 4,059.81
Russell	5,048.01	4,595.87	(452.14)
Sacramento	3,674.15	6,295.55	2,621.40
Shaver	6,999.51	7,309.55	310.04
Middle School	65,089.82	79,159.26	14,069.44
High School	292,695.27	379,376.43	86,681.16
Total	<u>\$384,881.51</u>	<u>\$492,171.22</u>	<u>\$107,289.71</u>

Positive Observations:

- 1) All schools are completing monthly bank reconciliations and working with the Business Office if they run into issues.
- 2) Staff at the schools were very respectful and had documentation ready to audit.
- 3) Staff at schools were eager to understand and discuss any recommendations made by audit staff.
- 4) Both schools who were receiving targeted training and support have demonstrated substantial process improvement.

Negative Observations:

- 1) The issue surrounding findings for disbursements among all schools is obtaining the Principal's signature on the check request form prior to writing the check.
- 2) The few issues that did arise during the audit among most schools were due to lack understanding or paying attention to detail. We will be focusing on increased visits during the year and assisting schools with understanding Student Body Fund recording procedures and donation processing requirements.
- 3) Multiple donations at the Middle and High School exceeding \$1,000 were not sent to the District Office.

General Observations:

- 1) Each one of the schools prepare documentation differently - objective is to ensure each type of transaction documentation is consistent across the District.
- 2) Only the Middle School and High School utilize an external software (QuickBooks) The District's central office objective over the next 12 months is to get all schools on the same software.
- 3) The District's central office objective is to implement online payment software in the next 12 months.
- 4) Elementary schools should record all individual receipts into check register instead of deposits.

Overall: All schools have a handle on what needs to happen with Student Activity Funds and the schools with recommended actions will work with the District Office to receive the needed training and help to ensure they become compliant.