

Student Activity Fund - Internal Audit Status Report
Board Meeting: 22 February 2016

Period of Observation: July 2015 thru December 2015

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:

	<i>Balance 6/30/15</i>	<i>Balance 12/31/15</i>	<i>Change</i>
Prescott	\$3,806.00	\$8,264.53	\$4,458.53
Russell	\$6,228.00	\$7,542.64	\$1,314.64
Sacramento	\$5,991.00	\$6,472.24	\$481.24
Shaver	\$10,190.00	\$13,567.24	\$3,377.24
Middle School	\$35,722.00	\$66,180.90	\$30,458.90
High School	\$196,596.00	\$225,514.64	\$28,918.64
Total	\$258,533.00	\$327,542.19	\$69,009.19

Positive Observations:

- 1) All but 1 school are completing the reconciliation of the bank statement on a timely manner and ensuring the Principal has reviewed.
- 2) Staff at the schools were very respectful and had documentation ready to audit.

Negative Observations:

- 1) One school was not prepared for the audit - had staff go over several times after to assist. The District office, Principal and staff will schedule some time to do training and time management assistance.
- 2) Schools are not making timely deposits of cash held at the school - the District office will work with all schools to ensure this corrected.

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 data site (QuickBooks) the District's central office objective will be to get all schools on the same software by end of FY 16/17 if possible.
- 3) All schools need to clear outstanding checks that have been on the books. Since my arrival in July we have established procedures to assist staff in clearing old outstanding checks.

Overall: All but one school has a handle on what needs to happen with Student Activity Funds and the school that performed poorly on this review we will work with to ensure they get

the needed training and help to ensure they come compliant.