

Student Activity Fund - Internal Audit Status Report
Board Meeting: 25 June 2018

Period of Observation: October 2017 - March 2018

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 7/01/17</i>	<i>Balance 03/31/18</i>	<i>Change</i>
Prescott	\$11,928.08	\$10,439.92	(\$1,488.16)
Russell	\$6,989.48	\$12,300.73	\$5,311.25
Sacramento	\$6,778.75	\$12,664.52	\$5,885.77
Shaver	\$12,651.58	\$15,342.77	\$2,691.19
Middle School	\$39,680.44	\$49,652.52	\$9,972.08
High School	\$212,336.05	282,180.27	\$69,844.22
Total	\$290,364.38	\$382,580.73	\$92,216.35

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.

Negative Observations:

- 1) The majority of issues surrounding findings for receipts are focused on five schools whose main concern centers on timely (weekly) deposits.
- 2) Two schools received findings regarding disbursements.
- 3) One elementary school provided a corrective action plan to ensure they understand what needs to be corrected and are still working on consistently meeting those plan objectives.

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 will be to get all schools on the same software by end of FY 18/19 if possible.
- 3) Elementary schools should record individual receipts into check register instead of deposits.
- 4) Two of the three schools that submitted late reconciliations were due to staff absences.

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.