

**Student Activity Fund - Internal Audit Status Report**  
**Board Meeting: 26 June 2017**

**Period of Observation:** February 2017 thru May 2017

**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 2/01/17</i>	<i>Balance 05/31/17</i>	<i>Change</i>
Prescott	\$13,654.35	\$12,315.00	(\$1,339.35)
Russell	\$6,793.11	\$6,770.92	(\$22.19)
Sacramento	\$10,655.90	\$12,329.56	\$1,673.66
Shaver	\$17,523.64	\$11,917.83	(\$5,605.81)
Middle School	\$52,625.31	\$46,470.38	(\$6,154.93)
High School	\$227,204.32	\$218,427.14	(\$8,777.18)
<b>Total</b>	<b>\$328,456.63</b>	<b>\$308,230.83</b>	<b>(\$20,225.80)</b>

**Positive Observations:**

- 1) All schools are completing monthly bank reconciliations in a timely manner.
- 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) One major concern/finding is around receipt testing and the timeliness of deposits - mainly 3 schools not making weekly deposits (2 schools with 1 finding and 1 school with 5 findings).

**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 17/18 if possible.
- 3) All schools need to clear outstanding checks that have been on the books.  
The District Office established procedures to assist staff in clearing old outstanding checks.
- 4) Elementary schools should record 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.