



Pasco County Schools

Kurt S. Browning, Superintendent of Schools
7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

Internal Audit

Mary Tillman, Director

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DATE: February 21, 2017

TO: School Board of Pasco County

FROM: Mary Tillman CPA CIA, Director of Internal Audit

RE: Internal Accounts Audit 2014-15 – Part 1 – East Region

INTERNAL AUDITOR'S REPORT ON FINANCIAL REPORTING

Pursuant to State Board of Education Rule 6A-1.087(2), Florida Administrative Code and School Board Policy #6830, an audit was conducted for the following Pasco County schools for the fiscal year ended June 30, 2015.

This report includes the results of audit for several Pasco County schools for the fiscal year 2014-15. The audits were conducted to determine compliance with certain District policies and procedures as well as good business practices that ensure accurate financial reporting.

Since moving to the ERP system Munis in April 2014, the internal accounts fund does not have a complete set of standard financial statements available. However, there is a Munis report titled *Account Summary Trial Balance* (Report #1) that includes balance sheet amounts. Audit steps were performed to verify material amounts on this report. Only balance sheet amounts are reported for internal accounts on the District's Comprehensive Annual Financial Report. Therefore, I determined that this report was adequate for me to base my opinion that the financial statements referred to above present fairly, in all material respects, the financial position of the Pasco schools' internal accounts for the fiscal year ended June 30, 2015 in conformity with accounting principles generally accepted in the United States of America.

Munis financial statements, including a Balance Sheet and a Statement of Revenues, Expenses and Fund Balances have been developed for monthly use by the schools starting in November 2016.

For more information on the methodology of the audit process please view:

http://www.pasco.k12.fl.us/library/audit/AUDIT_METHODODOLOGY_INTERNAL_ACCOUNTS_2014-15.docx

Financial statements for the schools' internal accounts may be found on page 122-123.

http://www.pasco.k12.fl.us/library/finance/cafr/Final_CAFR_Pasco_Schools_FY15.pdf

Notes to financial statements are found here:

http://www.pasco.k12.fl.us/library/audit/NOTES_TO_FIN_STMTS_INTERNAL_ACCOUNTS_2014-15.docx

A discussion of issues included in this audit report are listed below:

- Athletic Participation Fees
 - Students are required to pay a fee, which is approved annually by the Board, to participate in school athletics. It is the school's responsibility, usually through the athletic director, to make sure that these fees are collected. If the student is financially unable to pay the fee, there are a limited number of sources from which this fee can be paid. The school internal accounts and the school booster clubs may not pay the fee on behalf of a student due to FHSAA rules. Usually the fee has to be paid by a parent or community member on behalf of the student.
- Bank Accounts
 - Schools each have their own checking account. Schools are responsible for updating signature cards whenever there are staff changes to the signers on the bank account. Schools are required to have at least 4 signers, at least 2 must be administrators. Also, the bank statements must include the front and back of all cleared checks. All checks must have two signers, one being an administrator.
- Cash Transfers/Adjustments
 - Journal entries are prepared by the bookkeeper to adjust the individual accounts for errors, transfers, bank account interest or other changes. The supporting documentation must include a thorough explanation for the transfer or adjustment and must be signed by the bookkeeper. Supporting documentation that affect the cash balance of an Activity (project) must be reviewed and approved (signed) by the principal and by the employee responsible for the Activity or Activities.
- Change Funds
 - Change funds are issued and used for specific events such as a dance or a sporting event. The change fund is issued via a check to the employee in charge of the event, usually the business manager in the case of sporting events. The bookkeeper and the employee responsible for the change fund both sign a change fund log. When or if the employee responsible for the change fund distributes part of that change fund to other people, those people and the employee responsible for the change fund also sign a change fund sub log. The change fund must be redeposited immediately after the event.
- Coding
 - Account codes for internal accounts are provided by the Florida Department of Education in Chapter 6 of the Financial & Program Cost Accounting & Reporting for Florida Schools, otherwise known as the "Red Book". Using the correct account codes is very important, both for financial review and analysis and for compliance with Department of Education rules.
- Collections
 - It is important for proper internal controls that two employees are involved in all collections. Therefore all collections are made initially by someone other than the bookkeeper. Collection documents are totaled, signed and dated by the employee making the initial collections. Then the collections are verified by the bookkeeper who then signs and dates the collection document. Collection documents are returned to the original collector with an official receipt number so that the original collector can compare the amount recorded and deposited to the amount originally turned in.
 - The collection document must also include pertinent information about the collection including purpose and source.
 - For the voluntary fees collected from students, the registration forms must be retained to support the amounts and types of fees collected.

- Collections are required to be turned in to the bookkeeper within the same day of initial receipt when at all possible to reduce the risk of loss or theft.
- Collections are required to be deposited to the bank within 5 working days of initial receipt to reduce the risk of loss or theft.
- Donations
 - Donations made to the school by individuals or corporations may be deposited to and spent from the internal accounts of the school as long as there are no subsequent reporting requirements. Donated funds must be spent in accordance with the instructions from the donor.
- Expenditures
 - An employee wanting to make an expenditure from internal accounts must complete a Purchase Order/Check Requisition (MIS #172) which is approved by the principal prior to the purchase being made. Purchases must be approved by the principal in advance so that the bookkeeper can determine that sufficient funds are available and since the principal is responsible for the internal accounts of the school, he must have the opportunity to approve or deny all purchases prior to them being made. If the date of approval is not included, we are unable to determine whether approval was made in advance or not.
 - The Purchase order/check requisition includes information about the purchase such as the items to be purchased, purpose, vendor and cost. After the items are received, the employee who made the purchase verifies that the order was filled correctly and submits the signed receipt or invoice to the bookkeeper.
 - If the actual purchase cost exceeds the approved amount on the Purchase Order/Check Request, the increased amount must be checked by the bookkeeper for sufficient budget and the principal must approve.
 - All purchases must be documented by an original receipt or invoice. Warehouse charges, transportation charges, payroll transactions charged to internal accounts and general journal charges must be documented with a delivery ticket, TERMS transportation requests, internal accounts payroll request and information from Finance re: any general journal charges.
 - The bookkeeper enters the expenditure to the correct account, cancels the receipt or invoice by marking it “paid”. Bookkeepers must pay from an original receipt or invoice so canceling the invoice prevents it from being submitted for payment a second time. The bookkeeper then prints and signs the check and submits the check and the backup documentation to the principal for signature.
 - Reimbursements to employees should be minimal. Many school employees have p-cards and each school has a school-based credit card that can be checked out to an employee for specific purchases. Employees who make purchases made with the expectation of being reimbursed must follow all procedures including obtaining approval in advance, submitting original receipts, using bid vendors if applicable and following sales tax rules.
- Field Trips
 - Field Trip Request forms (MIS #106) must be completed by the teacher organizing the event to document the group attending, the destination, the costs associated and the source(s) of funds to pay the costs, chaperones, and substitutes needed. This form must be approved (signed) by the principal in advance (include date of approval) of the field trip. Depending on the field trip, other approvals may be required.
- Fixed Assets
 - All property items whether purchased through District or internal funds that meet the threshold for capitalization must be tagged and included in the school’s inventory. Any employee who uses property items off campus must complete and sign an Equipment

Check Out form. This form is completed annually, includes the employee's responsibility for the item and is also signed by the school principal.

- Fund Raising Activities
 - The person responsible for the fund-raising activity completes a fund-raising application, which is approved by the principal prior to the event. The application includes information about the activity including the purpose, dates, whether it is a catalog sale, dance, fair, walk-a-thon or other type of event. The application also includes a budget that shows estimated revenues, expenditures, and profit. After the conclusion of the event, the recap portion of the fund-raising application must be completed. The recap shows actual revenues, expenditures and profit so that an analysis can be made of the success of the activity.

- Gift Cards
 - Gift cards may not be purchased for employees. The Internal Revenue Service considers gift cards purchased by an employer to be income to the employee. It is not practical for the District to accumulate information on gift cards to employees in order to adjust the employees' W-2s at year end.
 - Gift cards in reasonable amounts may be purchased for students as rewards or incentives. The employee responsible for the gift cards must create a log of all gift cards purchased. The log is then submitted to the bookkeeper. Each student receiving a gift card must sign the log. Any undistributed gift cards must be returned to the bookkeeper for safekeeping.

- Payroll
 - All employees (including administrators) must complete a daily timesheet which shows the time that they start working, when they end the work day and their lunch time if they have an unpaid lunch period. Employees must total their hours worked for the biweekly pay period and sign the timesheet. If an employee takes leave during the pay period, he must note that on the time sheet. The employee responsible for payroll processing must enter the leave taken in Munis.

- P-Card Transactions
 - P-Card purchases must meet requirements set out by Purchasing Services. Signed receipts must be uploaded into Munis. Receipts must be detailed and signed by the purchaser. In some cases, an explanation for the purchase should be included if it is not obvious from the information included in the receipt. Some transactions, such as those from PayPal do not include detailed information such as the vendor and the list of items purchased. If this information is not included on the receipt, the actual invoice or "shopping cart" page should be attached to the transaction in Munis.
 - P-card receipts must be scanned into Munis weekly.

- Sales Tax
 - The District has a Consumer's Certificate of Exemption that also covers the schools. The certificate states that the exemption applies only to purchases made by the schools for educational purposes when using a school check or P-Card. If an employee purchases an item for the school which would have been exempt if a school check or P-Card had been used with personal funds, the employee will not be reimbursed for the tax paid. School employees are encouraged to use P-Cards for exempt purchases. If the employee does not have a P-Card issued to him, there are school based P-Cards available for specific purchases.

- Tax exempt purchases include purchases for classroom activities and general school use as well as student/teacher recognition and purchases made for extra-curricular activities and events which include but is not limited to student clubs, band, athletics, etc.
- Items purchased with student/parent's personal funds are taxable. Schools cannot collect money from students/parents and use the District's tax exempt certificate when making purchases from vendors.
- Purchases made by Club dues that are increased to cover the cost of an item that the student will keep are not taxable. This is built into the cost of being part of the club and the increase in cost is an incidental portion of the club dues. Club dues should be standard for every student participating.
- If the item purchased is for resale, it will be taxed. This includes items sold at the school store and fundraisers. Schools will pay sales tax when purchasing the items for resale. Items for resale include taxable food, drinks, and serving supplies.
- Items purchased for sale in concession stands are taxable since these items are for resale. Sales tax will be paid when purchasing taxable food, drinks, and serving supplies rather than back the tax out at the point of sale.
- Support Organizations
 - Principals and presidents of support organizations such as booster clubs and PTAs must sign the Support Organization Agreement. Support organizations must complete fund raising applications to document principal approval for activities. Support organizations that operate outside the school internal accounts must submit quarterly financial reports to the school and an audit report at the end of the school year. School staff must not participate in the financial operations of the external support organizations, such as signing checks.
- Tickets/Ticket Logs
 - Pre-numbered tickets act as official receipts for collections for certain types of events such as dances, plays and sporting events. Ticket stock is held by the school bookkeeper. A printer's affidavit is included with newly purchased ticket roles and must be retained to document the ticket numbers received. Tickets are checked out to employees by the bookkeeper via a ticket log. Collections from ticket sales are recorded on a specialized collection document called a Report of Ticket Sold. After the event, the tickets are returned to the bookkeeper and the receipt is entered on the ticket log. At the end of the school year, the bookkeeper completes an inventory of the tickets on hand.
- Voided/Missing Checks
 - Voided checks must be controlled so that the information and format included on the check cannot be used to forge checks against the school's account. Voided checks must be retained with the signature block physically removed and VOID written clearly across the face of the check. Voided checks are retained to provide accountability over all check numbers issued to the school.
 - Generally, check numbers are missing from the Munis system when bookkeepers enter the wrong check number. This practice makes it difficult or impossible to account for all check numbers issued to the school. Again, it is important that all data be entered in Munis accurately.

For more information on the audit process, please see the Internal Audit website.

CENTENNIAL ELEMENTARY SCHOOL

- Field Trip Revenue
 - Receipt #85665 was a collection of monies for a field trip to Sea World. The Field Trip form was incomplete.
- Expenditures
 - Check Requisition/Purchase Order (MIS #172) was not on file for the following checks payable to the District:

<u>Check#</u>	<u>Amount</u>
9315	\$1,709.48
9362	1,026.64
Total	\$2,990.14

Proper fund approval must be secured prior to the issuance of a check.

- Physical check #9388 was not filed in the monthly files for "Checks" because it was voided (the check was not used). Check #9388 was keyed in on the physical check #9385 instead (data entry error). The documentation provided for #9385 revealed that the principal did not indicate the date of fund approval. The date of Purchase order is 5/23/2015 which is same date as the invoice date. The date the fund was requested by the requesting teacher was 6/1/2015. The purchase must not be made without proper fund approval.

Principal's Response:

Field Trip Revenue: The field trip form's middle section indicating the breakdown for the field trip charges was not filled out on the form but was on a separate sheet of paper the teacher had worked up. I will instruct the individuals to transfer the information onto the form.

Expenditures: MIS #172 for Due to District checks #9315 and #9632 – Prior to making a purchase, Administration gives approval for said purchase and the fund account to be paid from. Purchase is made using a P-Card. Will get second approval from Administration prior to issuing the check for paying due to district on MIS #172 for purchases that were already approved prior to the purchase.

Documentation for check #9385 – RM Media Personnel prepared a purchase order with the written date as 5/23/15 but the date they put when signing their name was 6/1/15. Will make sure all dates correspond accordingly. Will remind administration to date when signing to approve a purchase order.

Christina Twardosz, Principal

School Hours 9:25 - 3:50

Centennial Elementary School

Preparing today's learners to be tomorrow's leaders



CHESTER W. TAYLOR ELEMENTARY SCHOOL

- Expenditures
 - Check #6291 in the amount of \$18.50 was payable to the school. Total check amount was \$82.50. Supporting documentation, such as Check Requisition/Purchase Order, copy of invoice, etc. for check #6291 was not on file.
- Cancelled/Missing/Voiced Checks
 - The first check written for this fiscal year was #6253. Data entry errors caused the GAP Analysis to identify the checks numbered from 636 through 6252 as missing check numbers. The data entry errors applicable to this were:

<u>Number on Check Stock</u>	<u>Entered in Munis as</u>
6334	0634
6335	0635
- P-Cards
 - The receipt for P-Card statement #51504 was for the purchase of food items for Teacher Appreciation. This receipt was not scanned into MUNIS, however, the original receipt was on file. The supporting documentation is required to be scanned into MUNIS.

Principal's Response:

Expenditures: Bookkeeper to double check that amounts are entered correctly and if not proper procedures in providing supporting documentation will be followed.

Cancelled/Missing/Voiced Checks: Bookkeeper to be more diligent in entering information correctly into Munis.

P-Cards: All P-Card receipts will be scanned immediately into Munis.

Julie Marks, Principal

Chester W. Taylor Elementary
Julie Marks - Principal Kathy Kaburis - Assistant Principal



LACOOCHÉE ELEMENTARY SCHOOL

- Expenditures
 - Check #44766 was a Due to District check in the amount of \$1,414.00. Check Requisition/Purchase Order (MIS #172) was not on file for this check.
 - The selected item in the amount of \$216.64 was a school bus charge for the 2nd grader's field trip; however, the TERMS printout to support \$216.64 was not on file. This calculation was done by a Bookkeeper Resource Coordinator prior to the current bookkeeper that was assigned to this position.

- Cancelled/Missing/Voided Checks
 - The signature block was not mutilated for two (2) checks.

- Cash Transfers/Adjustments
 - Cash Transfer Journal #123398 was for a transfer of funds in the amount of \$530.25 from 2nd Grade team to the Principal's account. The Field trip fund was expensed from the wrong account; thus funds were transferred to the principal's account. The transfer form was missing the signature of the bookkeeper and the sponsor.

Principal's Response:

Expenditures: In the future we will follow the procedures for all Check Requisitions and will attach an MIS #172 to all checks.

We will be sure that the TERMS printout to support all field trips are attached on file.

Cancelled/Missing/Voided Checks: In the future we will mutilate all signature Blocks on voided/cancelled/missing checks.

Cash Transfers/Adjustments: In the future we will ensure that all transfers are monitored for accuracy and all documents are signed as required.

Latoya Jordan, Principal



PASCO ELEMENTARY SCHOOL

- Collections
 - Four (4) out of six (6) sampled items revealed that the funds collected were not submitted to the bookkeeper within required 24-hour time frame. They are:

<u>Check #</u>	<u>Receipt</u>	<u>To Bookkeeper</u>	<u>Amount</u>
27932	8/25/2014 (M)	8/27/2014 (F)	\$ 11.00
61742	2/20/2015 (F)	2/25/2015 (W)	235.00
95921	6/02/2015 (Tu)	6/05/2015 (F)	255.00
95928	6/01/2015 (M)	6/05/2015 (F)	32.00
Total			\$533.00

- Expenditures
 - Check Requisition/Purchase Order (MIS #172) was not on file for all the sampled items as follows:

<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>
5859	All for KIDS Inc.	\$2,175.00
5862	Bonita Flower	160.00
5870	CFA at RRHS	300.00
Total		\$2,635.00

- Cancelled/Missing/Voided Checks
 - No documentation was maintained for voided check # 5899.

Principal’s Response:

Revenue: Funds Collected will be submitted to the bookkeeper within the required 24-hour time frame.

Expenditures: A Check Requisition/Purchase Order will be completed for all payments made.

Cancelled/Missing/Voided Checks: Documentation for voided checks will be maintained.

Nena Green, Principal
Pasco Elementary School

37350 Florida Avenue • Dade City, FL 33525
 Phone: (352) 524-5200



RODNEY B. COX ELEMENTARY SCHOOL

- Collections
 - Monies collected in the amount of \$125.00 per receipt #52993 were from a Santa Photo fundraiser. The Fundraising application/recap were not on file.
 - Monies collected in the amount of \$10.00 per receipt #88476 were for a lost media book. No supporting documentation such as Monies Collected form was on file.

- Expenditures
 - Check #6055 in the amount of \$155.52 was a reimbursement to a teacher for the purchase of fundraising supplies. Fundraising recap sheet (MIS #177) was not complete; it was missing actual sales figures.
 - Check #6065 in the amount of \$1,935.65 was a payment to Scholastic Book Fairs. Check Requisition/Purchase Order (MIS #172) was not on file.
 - Check #6100 in the amount of \$1,770.00 was a payment to Busch Gardens as a field trip expense. The Check Requisition/Purchase Order (MIS #172) was incomplete. The requestor information was missing.
 - Check #6109 in the amount of \$83.49 was a payment for a purchase from Food & Nutrition Services. No Check Requisition/Purchase Order (MIS #172) was on file.
 - Check #14301 was a Due to District check in the amount of \$963.35. No documentation was on file.

- Gift Cards
 - Check #6098 in the amount of \$180.00 was a reimbursement to an employee for the purchase of Red Box gift cards for employee appreciation. No Check Requisition/Purchase Order (MIS #172) was on file. Gift cards should not be given to the employees because they are subject to payroll taxes.

- Cancelled/Missing/Voiced Checks
 - Check #6101 was an issued check with the check number entered incorrectly as “61010”.
 - No documentation was on file for voided check #6058.

Principal’s Response:

Upon review of the findings in the above audit, the staff at RB Cox Elementary will be retrained on the procedures and necessary paperwork for fundraising, field trips and general collection of money. The same training will be emphasized at the beginning of every school year and will be made available for staff to reference throughout the year. Listed below are specific steps taken to address each finding of the audit.

Collections:

- The staff member who coordinated the Santa Photo fundraiser was met with to review the paperwork necessary for all fundraisers. The bookkeeper was also met with to discuss strategies for monitoring the completion of paperwork and to establish a filing system to ensure papers are available when needed.
- School’s RMA was met with to discuss proper documentation needed when collecting money for lost/damaged media books. The RMA was retrained on procedures for submitting funds and needed paperwork.

Expenditures:

- A review of MIS #177 was completed with staff related to this finding. The staff was also retrained on fundraising procedures and the processes necessary for reimbursement of funds. The bookkeeper was also met with to discuss strategies for monitoring the completion of paperwork and to establish a filing system to ensure papers are available when needed.
- A review of MIS #172 was completed with staff related to this finding. The staff was also retrained on fundraising procedures and the processes necessary for requesting payment of funds to vendors. The bookkeeper was also met with to discuss strategies for monitoring the completion of paperwork and to establish a filing

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- A review of MIS #172 was completed with staff related to this finding. The staff was also retrained on fundraising procedures and the processes necessary for reimbursement of funds. The bookkeeper was also met with to discuss strategies for monitoring the completion of paperwork and to establish a filing system to ensure papers are available when needed.
- Due to District payment procedures were reviewed with the bookkeeper.

Gift Cards:

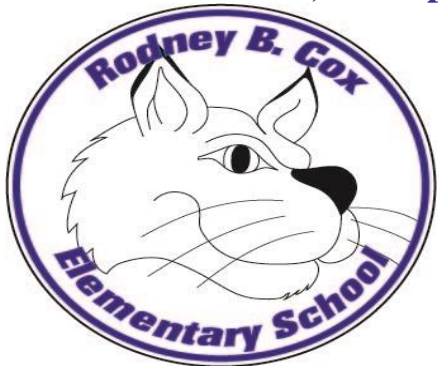
- A review of MIS #172 was completed with staff related to this finding. The staff was also retrained on fundraising procedures and the processes necessary for reimbursement of funds. Gift Card regulations, documentation and distribution were also reviewed with the staff member.

Cancelled/Missing/Voided Checks:

- Check procedures were reviewed with bookkeeper. The bookkeeper also supported with establishing a filing system to ensure papers are available when needed.

The new bookkeeper will be provided all necessary trainings to ensure his/her understanding of all current proper procedures related to the responsibilities of the position. This will include the maintaining of District and Title 1 budgets. I will monitor completion of all training and meet regularly with district support sent to the school during the transition to ensure the success of the new bookkeeper.

Claudia Steinacker, Principal



SAN ANTONIO ELEMENTARY SCHOOL

- Expenditures
 - Check Requisition/Purchase Order’s (MIS #172) were not on file for the following Due to District checks:

<u>Check #</u>	<u>Amount</u>
6509	\$3,119.72
6547	8,515.25
Total	\$11,634.97

- Cancelled/Missing/Voided Checks
 - Signature lines were not removed for voided check #6473.

Principal’s Response:

Expenditures: Extra measures will be used to make sure that all transportation orders and warehouse orders for Due To District will have a Purchase Order attached to the payment. A review of procedures was given at the Bookkeeper’s fall meeting and was included in the November issue of the Bookkeeper’s Newsletter, as reminders.

Cancelled/Missing/Voided Checks: A “double-check” step will be taken when voiding checks to see if they are stamped ‘void’ and that the signature area is visibly cut from the check.

Kimberly Anderson, Principal

San Antonio Elementary School



VETERANS ELEMENTARY SCHOOL

- Field Trip Revenue
 - Field Trip Request form (MIS #106) or bus worksheet was not on file for four (4) sampled items, Receipt #'s 59924, 61723, 71530 and 72865.
- Expenditures
 - Check Requisition/Purchase Order (form MIS #172) was not on file for three (3) checks payable to the District.
- Cash Transfers/Adjustments
 - Supporting documentation for Journal #111021 for the transfer of \$12.70 from 920033 account (Special Activity/Field Trip C) to 900100 account (Principal's general) was not on file.

Principal's Response:

Field Trip Revenue: - Our Field Trip Checklist and guidelines have been reviewed with the bookkeeper. Once the team member has submitted a field trip request, the bookkeeper will ensure that MIS #106 and MIS #167 are signed by a school based administrator and have prior approvals prior to the buses being ordered. All form number, due dates and responsible staff members are identified on the form to reduce confusion and ensure compliance.

Expenditures: The Bookkeeper is aware that MIS #172 must accompany any purchases made without the P-Card. Supporting documentation for these purchases must be in place and appropriately filed when monthly report are submitted at the end of the month or checks are issued.

Cash Transfers/Adjustments: The bookkeeper is aware of the procedures for transferring funds between accounts. The individual responsible for both the giving and receiving account will be knowledgeable of each transfer and will sign the proper forms acknowledging the transfer. The school based administrator and the bookkeeper is also responsible for signing and verifying these transfers.

Gretchen Rudolph-Fladd, Principal

Veterans Elementary School



WESLEY CHAPEL ELEMENTARY SCHOOL

- Collections
 - Supporting documentation including monies collected forms or bank deposit slips were not available for review for receipt #'s 33775, 40008, 48314 and 51592.
 - Monies collected with receipts #'s 40145 and 40201 were not submitted to the bookkeeper within the required 24-hour time frame.
- Expenditures
 - Check #5351 in the amount of \$173.69 was a reimbursement for purchase of classroom supplies. The Check Requisition/Purchase Order (MIS #172) was incomplete, without the dates (request date/approval date).
 - Check #53551 in the amount of \$14,292.00 was a payment to Leading Edge Fundraising. No supporting documentation, including MIS #172, was available for review. Note that the check number should have been #5356 instead of #53551 per bank statement for September 2014.
- Cancelled/Missing/Voiced Checks
 - The entire bank statement was not scanned into MUNIS for several of the months covered in this audit. For instance, all the pages of check images were not scanned for October 2014.
 - No documentation was on file for checks numbered 5355 through 5356.
 - Check #5632 (printed on the center of the check from data entered in Munis by the bookkeeper) was entered for physical check #5362 (preprinted on check stock top right corner of the check). Note that the first check issued for this fiscal year was #5346 and the last check was #5434. Based on this, the accounting records in Munis include incorrect information for these transactions. The GAP analysis identified the check #5435 (subsequent to the last check #5434) through #5631 prior to #5632 (erroneously entered) as missing check numbers.
- P-Cards
 - P-Card statement #34039 was for a purchase of book rings. The receipts were not scanned into Munis and were not available in the physical file.

Principal's Response:

We are meeting to come up with a plan to ensure that supporting documentation is kept with checks, come up with steps to ensure all receipts are scanned into Munis and double check that all MIS forms are filled out completely. I also discussed the importance of entering the correct information (check numbers) when inputting data with my bookkeeper. We are developing a system to double check ourselves on a regular basis.

Stanley Mykita, Principal



WOODLAND ELEMENTARY SCHOOL

- Collections
 - The Monies Collected form for Official Receipt #35462 issued in the amount of \$14.00 for fee collected for registration, was not dated by the teacher/sponsor that collected the money and prepared the form.
- Expenditures
 - Check #8785 was issued to the order of “Cash” in the amount of \$350 for a registration day change fund.
 - Check #8822 was written in the amount of \$1,256.00 for a field trip. The accompanying Purchase Request form was not approved by the principal
- Cancelled/Missing/Voided Checks
 - Unable to locate documentation for voided check numbers #8877 and #8912.

Principal’s Response:

I was not Woodland Elementary School’s principal during the stated audit period and the new bookkeeper was not here at the time of the stated audit. I have reviewed the findings with the Woodland Elementary School’s faculty and staff.

Shaunte Butcher, Principal



Woodland Elementary School

WATERGRASS ELEMENTARY SCHOOL

- Collections
 - Two (2) collections were not remitted to the bookkeeper at the end of the day.
- Expenditures
 - Check #1330 was issued to Sam’s Club using the option for a One Time Vendor instead of the correct vendor information.
 - Invoices for check #1330, #1344 and #1396 were not canceled “PAID” after payment was issued.
- Cash Transfers/Adjustments
 - Unable to locate documentation for one (1) transfer reviewed; a deposit correction in the amount of \$179.58 dated 5/28/2015.

Principal’s Response:

Collections:

Bookkeeper will review procedures for submitting monies collected with teachers and notify principal at time of occurrence if any procedures are not followed correctly.

Expenditures:

Bookkeeper will review and verify correct vendor information prior to issuing check. Once paid, bookkeeper will check all invoices for cancelled PAID status.

Cash Transfers/Adjustments:

Bookkeeper will be more careful when filing paperwork.

Jeffery Mitchell, Principal



WEST ZEPHYRHILLS ELEMENTARY SCHOOL

- Collections
 - Monies collected in the amount of \$2,129.00 were for a YoYo Sales fundraiser. Checks collected on 11/12/2014 (Wednesday) were not submitted to the bookkeeper until 11/14/2014 (Friday).
 - Fundraising application and recap forms were not on file for this activity.
- Expenditures
 - Check #6252 in the amount of \$2,129.00 was a payment to All for KIDZ, Inc. for the YoYo fundraiser. The purchase was made on 12/1/2015, prior to the principal's approval date of 12/2/2015, documented on the Check Requisition/Purchase Order (MIS #172).

Principal's Response:

Collections: Staff will be reminded to submit all money collected on a daily basis so the bookkeeper can make a timely deposit.

All Fundraiser applications and recaps will be completed and filed for each activity. If there is a question whether the activity is considered a Fundraiser, the paperwork will be completed as usual. All the revenues and disbursements will be recorded with each fundraiser.

Expenditures: The bookkeeper will pay closer attention to the date of an invoice, verifying approval was given prior to the purchase being made. All POs will be processed in a timely manner to avoid this error.

Charlene Tidd, Principal



West Zephyrhills
Elementary School

CENTENNIAL MIDDLE SCHOOL

- Expenditures
 - Check Requisition/Purchase Order (MIS #172) was not on file for the following checks:

<u>Check #</u>	<u>Payee</u>	<u>Amount</u>
930011	Cash	\$1,000.00
6302	District	673.10

Check Requisition/Purchase Order must be completed prior to the issuance of the check.
 - Check #6254 was for payment of t-shirts for the volleyball club. The coding should have been 5590xxxx (other materials) rather than 5510xxxx (consumable supplies).
- P-Cards
 - Invoice for P-card statement #34541 for the purchase of donuts in the amount of \$7.50 was not scanned into MUNIS.

Principal's Response:

We will correct the areas mentioned above with the following actions:

- MIS-172 Purchase Order/Check Requisition will be filled out on all checks, including change fund to the principal and all "Due To District" purchases, even if from the Principal's Internal Account form this day forward.
- Tee shirts, even if given away to students will be coded to object 559000(other materials), instead of 551000 (Consumable supplies) from this day forward
- Invoice/receipt for the P-Card statement #34541 for \$7.50 has now been scanned into Munis TCM, and we will ensure that all invoices/receipts for P-Card transactions will be scanned into Munis TCM.

Rick Saylor, Principal

Centennial Middle School



PASCO MIDDLE SCHOOL

- Collections
 - Funds collected per following receipt numbers were not submitted to the bookkeeper within required 24 hours:

<u>Receipt #</u>	<u>Amount</u>	<u>Collected</u>	<u>Submitted</u>
31693	\$1,539.00	09/9/2014 (Tu)	09/12/2014 (F)
37173	120.00	10/3/2014 (F)	10/8/2014 (W)
Total	\$1,659.00		

Principal's Response:

Administration will address the faculty during the next faculty meeting and readdress our expectations that any monies collected during the school day must be turned into the bookkeeper prior to leaving the campus at the end of the work day.

Jeffrey Wolff, Principal



RAYMOND B. STEWART MIDDLE SCHOOL

- Collections
 - The Monies Collected form for Official Receipt #54354 issued in the amount of \$32.00 for fees collected for girls' soccer socks, was not dated by the teacher/sponsor that collected the money and prepared the form.

- Cash Transfers/Adjustments
 - The sponsor of the affected accounts did not sign the Cash Transfer and Adjustments form for two (2) journal entries reviewed:
 - #61109 \$20.33
 - #74965 \$40.00

Principal's Response:

Collections: Staff was reminded in a faculty meeting and by email of the importance of timeliness and remitting school funds within 24 hours

Cash Transfers/Adjustments: Staff was reminded in a faculty meeting and by email to sign Cash Transfer and Adjustment forms.

Shae Davis, Principal

R. B. Stewart Middle School



THOMAS E. WEIGHTMAN MIDDLE SCHOOL

- Cancelled/Missing/Voided Checks
 - Unable to locate voided check #14117.

Principal's Response:

In reference to Cancelled/Missing/Voided Checks, we will ensure all documentation for voided checks is placed in a voided check file.

Brandon Bracciale, Principal



PASCO HIGH SCHOOL

- Collections
 - The Monies Collected form related to Receipt #22319, issued in the amount of \$1,325 was not signed and dated by the bookkeeper.
 - The Monies Collected Form related to Receipt #52987, issued in the amount of \$4,000 was not remitted to the bookkeeper within the required 24-hour period. The event took place on 1/5/2015 which was a Monday but the collections were turned over to the bookkeeper on Wednesday, 1/7/2015.
- Field Trip Revenue
 - Field Trip Request form, MIS #106 was not available for review for the Cambridge field trip to the University of South Florida and University of Florida.
- Expenditures
 - Invoices were not canceled “Paid” after payment was issued for the following checks:
 - #24198 \$239.66
 - #24464 \$128.49
 - #24212 \$1,800.00
 - #24481 \$319.15
 - #24374 \$121.24
 - #24483 \$73.90
 - Check #24337, issued in the amount of \$1,293.38 for ROTC uniforms and cleaning, does not agree with the attached invoices and appears to have resulted in an overpayment to the vendor of \$25.
 - The invoice on file for check #24374 in the amount of \$121.24 is dated prior to the approval of the Purchase Order.
 - Check #24212 in the amount of \$1,800 was used to purchase a golf cart, but the item was never added to the school’s tangible personal property inventory. The Property Control Department confirmed they were not aware of this purchase and will issue a tag and add the golf cart to the school’s inventory.
- Cash Transfers/Adjustments
 - Cash Transfer/Adjustment form for \$65.30 to correct a coding error was not signed by an administrator.

Principal’s Response:

Collections: These issues were from the previous bookkeeper. There has been training completed for the new bookkeeper. She will be reviewing deposits more thoroughly to check for signatures. There was a review of procedures completed with all the staff on the depositing of money each day.

Field Trip Revenue: There is a binder kept in the Assistant Principal’s office with all the field trip information.

Expenditures:

District level training was provided to the new bookkeeper and was reviewed by the principal. The ROTC Instructor that purchased the golf cart is no longer working for the district. The item has been recovered and is on campus at this time.

Cash Transfers/Adjustments: This issue was from the previous bookkeeper. Procedures have been reviewed with the new bookkeeper.

Kari Kadlub, Principal



ZEPHYRHILLS HIGH SCHOOL

- Collections
 - Receipt #42021 in the amount of \$105 was not turned in to the bookkeeper's office within the required 24-hour period. Funds were collected on Thursday, 10/23/14, and were turned in to the bookkeeper on Monday, 10/27/14.

Principal's Response:

ZHS will remind all persons collecting money for any reason of their obligation to turn in money collected to the Bookkeeper at the end of each day. The notification to turn in all money collected will be included with monies collected forms and fundraiser packets.

Angela Stone, Principal



INTERNAL AUDITOR’S REPORT ON INTERNAL CONTROL AND COMPLIANCE

Internal Control over Financial Reporting

In planning and performing our audit of the schools’ balance sheet amounts, we considered the schools’ internal controls over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the balance sheet amounts reported, but not for the purpose of expressing an opinion on the effectiveness of the schools’ internal controls. Accordingly, we do not express an opinion on the effectiveness of the schools’ internal controls.

During our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses, except as noted below. However, additional material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the schools’ balance sheet amounts reported are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of balance sheet amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We reported our findings and recommendations to the School administration in a separate management letter. The Principal’s response is listed below each of our comments; however, their responses were not reviewed as part of our audit.

MATERIAL WEAKNESS

Segregation of Duties

During the audit, we identified a control deficiency in internal control over financial reporting. The bookkeeper at the School has the primary responsibility for most of the accounting duties. As a result of this lack of segregation of duties, internal controls are weakened increasing the risk that a misappropriation of the School’s assets could occur and not be detected in a timely manner. There are compensation controls that bolster the effect of the controls in place over financial reporting, such as monthly review and approval of the bank statements, reconciliations, and financial reports by the Principal. In addition, the School is required to submit these monthly reports to the Finance Services Department. Personnel at the Finance Services Department review these reports and any discrepancies noted are immediately researched and communicated to the School.

Prior Audit Follow Up

We reviewed last year’s findings and recommendations to ensure that the corrective action plans outlined in the principal’s responses were implemented by the School during this audit period. Except as noted in this report, our audit tests disclosed that the School had taken corrective actions for audit findings included in previous audit reports.

For more information on the Report on Compliance and Internal Control over Financial Reporting view:

http://www.pasco.k12.fl.us/library/audit/REPORT_ON_COMPLIANCE_INTERNAL_ACCOUNTS_2014-15.docx