



# Pasco County Schools

Kurt S. Browning, Superintendent of Schools

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638

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## Internal Audit

Mary Tillman, Director

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DATE: October 18, 2016

TO: School Board of Pasco County

FROM: Mary Tillman CPA CIA, Director of Internal Audit

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

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## 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.

However, it is imperative that a true set of Munis fund based financial statements, including a balance sheet, statement of revenues, expenditures and changes in fund balances, be developed for use by the schools' administration and staff.

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](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](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](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 is found 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 or bank account interest. All journal entries that affect the cash balance of the Activity (project) should be reviewed and approved by the principal and by the employee responsible for the Activity.
- 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. Collections 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.
  - 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 budget is 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.
  - 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.
  
- 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, substitutes needed and the principal’s approval and any other approvals needed.
  
- 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.
- 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 and 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.

## CONNERTON ELEMENTARY

- Collections
  - The Munis deposit panels that we reviewed were not signed and dated by the Bookkeeper.
  - The receipt number was not written on the Monies Collected Form for two (2) items reviewed: #31854 and #37005.
- Field Trip Revenue
  - The required Field Trip Request Form (MIS 106) for the kindergarten Field Trip to Homosassa Springs was not on file.
  - Documentation for the approval of the 2nd grade Field Trip to the River Ridge Performing Arts Center was not on file.
- Expenditures
  - The required PO/Check Requisition Form was not on file for Check # 8168.
  - One purchase was made prior to the Purchase Order approval date; Check # 8099.
- Sales Tax Expense
  - Contrary to state law, an employee used the district's sales tax exemption certificate to make a school purchase with personal funds; Check # 8099.
  - For one (1) purchase via check #8168, sales tax was reimbursed to an employee who made a school purchase with personal funds, which is against district procedures.
- Cancelled/Missing/Voiced Checks
  - No documentation on file for missing Check #'s 8105 and 8113.
- Cash Transfers/Adjustments
  - Required documentation was not on file and available for review for cash transfer #'s 29925, 29926 and 29927 totaling \$1,154.87.
  - Contrary to state law, unused Teacher Lead Funds were transferred to the principal's account instead of remaining in the SAC account; Cash Transfer #103261.
  - Multiple transfers totaling \$5,817.59 were made from various grade/team accounts to the principal's accounts. Funds in the grade/team accounts came primarily from student supply fees. Supply fees are generated for the sole purpose of purchasing classroom materials and supplies. When funds are transferred to the principal's account they are comingled with funds from other sources and it is difficult to determine that they are spent appropriately. A better practice would be to leave the supply fees in a classroom account to ensure that the funds are spent as intended.

Principal's Response: *I was not the principal of record during the 2014/15 audit period. I have reviewed the findings with my staff and we will implement policies and procedures.*

**Edward J. Abernathy**  
Principal

Connerton Elementary School



## LAKE MYRTLE ELEMENTARY

- Collections
  - Several issues with a deposit in the amount of \$1,133 made on 11/21/2014 are noted:
    - The Bookkeeper did not sign and date the Monies Collected Forms until 12/8/2014 despite the fact that the deposit was made on 11/21/2014.
    - It is impossible to determine whether the monies collected were submitted to the Bookkeeper within 24 hours because two (2) out of sixteen (16) Monies Collected forms were not dated, where collection dates ranged from 11/11/2014 to 11/21/2014. )
    - It is evident that some of the monies collected were not deposited into the bank within required five (5) business days because the collection dates started as early as 11/11/2014.
- Expenditures
  - Reimbursements were made to an employee (other than the principal) via Check #11465 in the amount of \$422.24 and Check #11562 in the amount of \$385.25 without a Check Requisition/Purchase Order (MIS #172) signed in advance by the principal documenting approval for these purchases. Check #11465 was used to purchase Quaker Chewy Granola bars for staff incentive called “Grab N Go” without proper prior approval. Check #11562 was authorization for the purchase of grocery items for End of the Year Lunch.
  - Receipts for P-card transactions are attached in MUNIS at the time the P-card transactions are charged to internal accounts through Due to District payment. However, other types of transactions (such as warehouse charges, transportation charges and general journal charges) need to be supported by documentation at the time of the Due to District payment. Documentation was not attached for payment of Check #11489, #11558 and #11565.
  - None of the Due to District (DTD) checks had Purchase Request form (MIS #172) or itemized invoices attached.
- Sales Tax Expense
  - Sales tax was reimbursed to an employee on Check #11477 for a school purchase made by personal funds. The purchase would have been tax exempt if it were made by P-card or by Purchase Order (MIS #172) with checks issued by the schools.
- Cancelled/Missing /Voided Checks
  - Bookkeeper entered incorrect Check Number (#1161) for Check #11461. It is very important that check information is keyed correctly into MUNIS so that the financial records match the physical documentation.
  - Check #11464 was in fact an issued check to an employee in the amount of \$157.60. Financial data posted in MUNIS, however, was the check #114640, instead. This triggered the GAP analysis to search 11566 (last check # issued for this School year was 11565) through 114639 (one number before 114640) as missing checks.
  - No documentation was provided for missing checks #11472, #11547, and #11556.
  - Voided checks along with their supporting documentation were not on file for the following checks: #11472, #11547 and #11556.
- Cash Transfers/Adjustments
  - Supporting documentation to verify all the transfers sampled were not provided by the current bookkeeper.

Principal’s Response: *I was not the principal of record during the time of the findings. I will review the findings with my staff to ensure proper procedures and processes are followed.*

**Jessica Clements  
Principal**



## LONG LEAF ELEMENTARY

- Collections
  - Collection documented on Monies Collected Forms #43769 and #53562 were not submitted to the bookkeeper within required 24 hour period.
- Field Trip Revenue
  - A Field Trip Request Form (MIS #106) was not on file for Receipt # 38038.
- Expenditures
  - Five (5) checks were written to vendors without a Purchase Order (MIS #172) signed in advance by the principal documenting approval for the purchase; Check #'s 4320, 4339, 4362, 4377 and 4380.
  - A Field Trip Request Form (MIS #106) was not on file for Check # 4362.
- P-Cards
  - No itemized invoice for this transaction was scanned into Munis or maintained in the file
    - Payment confirmation from PayPal in the amount of \$1,483.20 for invoice number #52586
    - E-mail communication to and from the District's Purchasing Department.

**Principal's Response:** **Collections:** *I will conduct a meeting with the staff to go over policy and procedures with regards to money collection. I will also inform them of the drop safe on campus.* **Field Trip Revenue:** *I will review policies and procedures and have a packet available for staff.* **Expenditures:** *I approved a check requisition in advance for those purposes. In the future I will inform the new Bookkeeper to issue Purchase Orders.* **P-Cards:** *I will inform the new Bookkeeper to review the new P-Card policies and procedures.*

**Jennifer Heptig, Principal**



Jennifer Heptig: Principal | Debora Wichmanowski: Assistant Principal 3253 Town Ave. New Port Richey, Fl. (727) 774-0800



**OAKSTEAD ELEMENTARY**

- Expenditures
  - Check # 7919 exceeded the approved Purchase Order amount by more than 5%. Approval for the overage was not documented with an administrator’s signature on the Check Requisition/ Purchase Order Form.

Principal’s Response: *No response.*

**Tamara Kimpland**  
**Principal**

**Oakstead Elementary School**

Tammy Kimpland - Principal CJ Huffman - Assistant Principal Sandra Stine - Assistant Principal



**ODESSA ELEMENTARY**

- Field Trip Revenue
  - Required Field Trip Request Form (MIS #106) was not on file for 5<sup>th</sup> Grade end of year field trip to Animal Kingdom on 5/22/2015; Receipt # 83304.
  
- Expenditures
  - Invoices associated with Check #4173 were not cancelled or stamped “PAID.”

Principal’s Response: *No Response.*

**Teresa Love, Principal**

**Odessa Elementary School**



**PINE VIEW ELEMENTARY**

- Expenditures
  - Food purchased for various meetings was incorrectly coded to Other Purchased Services; Check # 3207.
  - Invoice for Check # 3243 was not marked as “paid” after payment was issued.
- Sales Tax Expense
  - The district’s sales tax exemption certificate was used incorrectly by a staff member when purchasing items with personal funds; Check # 3243.
- Cancelled/Missing/Voided Checks
  - Signature block was not removed from the voided checks.

*Principal’s Response: **Expenses:** Food purchased with the wrong coding – At the time of that coding I was still unfamiliar with proper accounts to code expenses to, since then I have coded everything correctly. An invoice was not stamped with the “paid” stamp and I have now made use of the paid stamp as part of my routine. **Sales Tax Expense:** One of the teachers used our tax exempt certificate number when they should not have. I have since let teachers know not to use that number. **Voided Checks:** I was unaware that we needed to cut out the signatures when voiding a check. I now cut out all signatures on all voided checks. Doreen Jaszcar, Bookkeeper PVES #0902*

**Kathryn Moore**  
**Principal**

**PINE VIEW ELEMENTARY SCHOOL**  
**SUCCESS AND NOTHING LESS**



**SAND PINE ELEMENTARY**

- Field Trip Revenue
  - Field Trip Request Form (MIS #106) was filed timely but the money was collected after the field trip took place. (# 88528)

*Principal's Response: The finding reported that our school collected money for a field trip after the field trip had taken place. We will do a better job of making sure that all money for field trips is collected prior to the field trip taking place.*

**Scott Akins, Principal**

**Sand Pine Elementary School**

*Helping students reach their highest potential!*



**SEVEN OAKS ELEMENTARY**

- Collections
  - Three of the Monies Collected Forms reviewed were not turned in to the Bookkeeper's office at the end of the business day. Official Receipts #'s 27183, 54483 and 89037.
- Expenditures
  - Four (4) of five (5) invoices that were reimbursed via check # 3374 were for purchases made prior to the Purchase Order/Check Requisition approval date.

Principal's Response:     *No Response*

**Shirley Ray, Principal**



## TRINITY ELEMENTARY

- Cash Transfers and Adjustments

- The transfer out of one (1) field trip account (920007) in the amount of \$8,000 into the Principal's account (900100). Review of both accounts revealed that no questionable transactions were found prior to the transfer out. After the funds were transferred into 900100, there are two (2) large disbursements made:

- 1.) \$16,957 for purchase of i-Pads
- 2.) \$7,199.85 for furniture.

All of the fixed assets were traced to MUNIS fixed asset tagging. There had been an account balance in the amount of \$10,576.84 in the field trip account (920007) since 3/31/2014. Total receipt during Fiscal Year 2014-2015 was \$32,077.71, while total disbursement was \$27,664.46 (excluding transfer) as shown in the summary of the Field Trip Account (920007)

- The issue is that all the field trips are accounted for in one account instead of an account for each respective grade. Thus, it is not possible to account for the exact amount of revenue and expense for each specific field trip. The school should not charge parents any more than actual cost for the field trips. Therefore, it is not clear how the school could have accumulated \$8,000 in excess funds in the field trip account.

Principal's Response: *According to district guidelines, field trips should be planned well in advance and closely align with standards and curriculum maps. Therefore, I (principal) plan all the field trips for all grade levels in July prior to the upcoming school year with teacher input. This allows us to get first choice on dates to the time of the field trip matches the units of instruction it is intended to support. I reserve the field trips and buses based on an estimated number of students. When we request payment from parents, we conservatively estimate the number of students who will attend based on the need to cover all costs. We usually assume that 10 students will not plan to attend the trip due to parent choice. We then divide the cost among the remaining number of students in the grade level. If a trip costs \$10.25 per student, we round the cost to an even dollar amount. Sometimes but not always, we end up with extra funds. Any leftover funds are used to purchase items specifically for student use (ie technology, furniture). When we send out request for field trip payment to parents, the letter includes a cost breakdown for admission and transportation separately. Parents are fully aware of the cost of the field trips. The format of the principal booking all the field trips also saves work and inconvenience for the very overworked classroom teachers. It is very difficult for them to arrange field trips that usually require a return call from vendor and bus company since they are not able to take phone calls while teaching.*

**Courtney Gantt**  
**Principal**

# Trinity Elementary School



**CHARLES S. RUSHE MIDDLE**

- Collections
  - Supporting documentation (ticket log) for two (2) athletic events was not available for review. Official Receipt #'s 36898 and 48231.
- Expenditures
  - Invoices attached as supporting documentation for Check #'s 7123 and 7192 were not canceled "Paid" when the checks were issued.
- Sales Tax Expense
  - Sales tax was reimbursed in error on Check # 7192.
- Cancelled/Missing/Voiced Checks
  - One voided check, # 7132, was not available for review.

Principal's Response: **Collections:** *The business manager has been made aware of proper procedures for handling and documenting tickets.* **Expenditures:** *The purchase Orders have always been stamped "PAID", and moving forward, all invoices will also be stamped "PAID".* **Voiced Checks:** *Check #7132 not accounted for- this was for a Sam's Club purchase.*

**David Salerno**  
**Principal**



**DR. JOHN LONG MIDDLE**

- Collections
  - Two (2) transactions related to collection of registration fees recorded on Monies Collected Forms #23642 and #23905 could not be verified. Registration forms for students were not retained. Monies collected for each student show different amounts such as \$15, \$20, \$23, \$31, \$39, etc. but these amounts could not be vouched to students’ registration forms to examine their validity.
  - Monies collected in the amount of \$425 recorded in receipt #32693 by a teacher was not submitted to the Bookkeeper within a required 24 hour time frame. Date on Monies Collected Form by the teacher was 9/4/2014 and submission date to bookkeeper was not until 9/9/2014 (Labor Day in 2014 was on 9/1/2014; thus this holiday was not a factor).
  - Monies collected recorded on receipt #56533 in the amount of \$132 for a total of sixty-six (66) tickets sold at \$2 each, change fund in the amount of \$125 and Cash to be on hand \$465. Bank deposit was made for \$132 only. Calculation for “Cash to be on Hand” should be \$257 rather than \$465 (\$132 + \$125). These figures (\$132, \$125 and \$465) were not supported by proper documentation to establish validity of the amounts. Ticket log or sub-log was not maintained. Change Funds or Cash in the amount of \$465 were not traced to MUNIS accounts.
  - Revenue in the amount of \$585.50 recorded for Receipt # 93653 that relates to a MOSI event could not be verified because no supporting documentation, including quotation or invoices from MOSI, were on file. Appropriateness of coding (4909 – general sales), therefore, is not verified.
  
- Cash Donation Revenue
  - Monies Collected Form 95251 relates to revenue in the amount of \$2,000 which was a donation from the PTSA. This donation does not require Board reporting, however, PTSA requested that a specific item be purchased via purchase order and that the school follow up by providing PTSA with an applicable purchase invoice. \$2,000 was a part of the fund used to purchase a Tomcat Floor Machine sold by Resource One (invoice #5225 total cost \$6,963.00 dated 9/10/2015). As a review, this fixed asset was not properly tagged as capitalized asset. Schools are required to report fixed asset with the value in excess of \$750 to Property Control for proper tagging.
  
- Expenditures
  - Transaction related to Check # 5187 for purchase of gift card in the amount of \$60 was not supported by an official receipt or gift card log. The gift card was from Attitudes Total Body Images (Hair salon) and given to team mom as a volunteer appreciation.

Principal’s Response: *In regards to General and Planning, the coding has been corrected. The 8<sup>th</sup> Grade EOY activity is not a field trip. The students remain on campus. The coding was corrected for the purchase of the banner. The coding has been corrected for the future when purchasing prepared foods. In the area of Revenue, students and parents only have to pay what they want to for fees. We cannot force them to pay the fees. Staff has been reminded repeatedly both verbally and in writing about turning money in within the same school day. The missing ticket log was located and the business manager has been reminded to have those that assist be more careful and mindful of the tickets. The cash donation revenue was a donation from the PTSA for a new floor machine and the Plant Manager was spoken to about getting the tagging done. In the area of expense a paper certificate was given to the team mother for the \$60 gift card.*

**Christine Wolff, Principal**





## PINE VIEW MIDDLE

- Collections
  - Refund from the yearbook company was posted in 900100 (Principal's general) and coded incorrectly with 4906xxxx (School Picture Commissions/Sales) instead of 4904xxxx (Yearbook Sales).
- Expenditures
  - Four (4) out of ten (10) sampled did not contain Check Requisition/Purchase Order in file; Check #'s 17641, 17683, 17834 and 17876.
- Cash Transfers/Adjustments
  - No supporting documentation on file to explain the purpose of the cash transfer #73343 or to document principal and/or activity sponsor approval.

### Principal's Response:

*As the Principal of Pine View Middle School, I have reviewed the School Audit Program Summary of Procedures for the audit period of July 1, 2014 to June 30, 2015. I would like to note that at the time the audit was conducted, the bookkeeper was Pam Herber. Pam Herber started as the Pine View Middle School Bookkeeper in July 2015 and resigned in May 2016. The bookkeeper of record for the audit period was Teresa Minichino. The present bookkeeper is Megan Case.*

*In response to the summary, I will address how PVMS will continue to achieve audit objectives on future audits and how PVMS will address any inefficiencies found during the audit period last reviewed. My responses are as followed:*

#### **General:**

*The bookkeeper will have access to the information and materials that will be requested of her from this section. She will also be provided with resources through the Pasco County School District's office to aid her in the understanding of the audit procedures and requirements.*

#### **Collections:**

*The bookkeeper will exhibit due diligence to properly code collections and provide each person who has a budget a copy of the internal/student activity and district budgets by the 15<sup>th</sup> of each month so they can review their debits and credits. The bookkeeper will work with the Yearbook Coordinator to show proper documentation of sales and refund. The bookkeeper will continue to follow procedures so that all other revenue objects are met with fidelity.*

#### **Expenditures:**

*The bookkeeper will pay close attention to having proper documentation for purchase requests and providing this documentation to the Purchasing department per outlined procedures. The bookkeeper will continue to follow outlined procedures so that expense audit objectives are met.*

#### **Cash Transfers/Adjustments:**

*The bookkeeper will be sure to fill out the proper documentation for any cash transfers or adjustments and seek proper approval. The bookkeeper will properly enter this documentation into the system.*

**Jennifer Warren  
Principal**



## Pine View Middle School

International Baccalaureate Middle Years Programme  
Candidate School

## SEVEN SPRINGS MIDDLE

- Collections
  - Eight (8) deposits reviewed were not signed by the bookkeeper. See Official Receipt #'s 24949, 29948, 54509, 60038, 68858, 75873, 90351 and 95393.
  - Documentation for Official Receipt # 51858 was not available for review.
  - Two (2) collections were not remitted to the Bookkeeper at the end of the day. Official Receipt #'s 29948 and 60038.
  - Incomplete Monies Collected Forms were noted (missing date and/or signature) on Official Receipt #'s 54509 and 75873.
- Expenditures
  - Purchase Order/Check Requisition was not available for review; Check # 15252.
- Gift Cards
  - Gift cards logs were not available to document who received the gift cards purchased with Check # 15252
- Quotes, Bids, and Contracts
  - Quotes for a flooring project were not available for review; Check # 15334.
- Cancelled/Missing/Voided Checks
  - Our review of missing and voided checks noted several on file without the signature block removed.
- P-Cards
  - No invoice on file (scanned into Munis) for P-card purchase from Grainger on 1/20/2015. Only the packing slip was available for review; P-card statement # 42108.

### Principal's Response:

#### Revenue:

*The Bookkeeper is aware that she is required to sign all deposits.*

#### Expense:

*Gift Card Logs are being maintained and saved.*

*The flooring project was completed by the district maintenance department and we just paid a portion of the costs to get an upgrade, they would be the entity that would have the quotes.*

*Signature blocks are now being removed for all voided checks.*

#### P-Cards:

*Unsure why the invoice was missing, luckily the packing slip was there to show information related to this expenditure.*

**Christopher Dunning**  
**Principal**

# Seven Springs Middle School



## **JAMES W. MITCHELL HIGH**

- Collections
  - Funds collected and recorded in document #75098 in the amount of \$1,663 (donation) were not submitted to the Bookkeeper within the required 24 hour time frame.
  - The date of initial collection was not documented as required on Monies Collected Form #89098, making it impossible to determine whether the funds were submitted to the Bookkeeper within 24 hours.
- Expenditures
  - Invoices associated with Check #18024 were not stamped “Paid”.
  - Eight (8) checks were written to vendors without a Purchase Order signed in advance by the principal documenting approval for the purchase. Check #'s 18419, 18428, 18475, 20011, 20085, 20095, 20142 and 20537.
  - Authorization for Purchase from Internal Account (MIS #172) for the purpose of Refund for HOSA Pink Warrior Brawl was not signed/dated by the requester. (# 18444)
  - Commitment for a purchase in the amount of \$210.00 via check #20085 was made (on 2/13/2015) prior to the approval (on 2/23/2015) by the principal as documented by the Check Requisition/Purchase Order (MIS #172).
  - Several issues were identified in the purchase of T-shirts (club shirts) associated with check # 18489:
    - Handwritten computation in the original purchase order for this transaction was inaccurate (indicating \$6.50 unit cost x 20 each = \$65.00 with amount of \$100 in footing). It does not include sales tax although there is not enough information on the POS to determine whether sales tax would have been appropriate.
    - The handwritten Purchase Order is not mathematically correct, the printed Purchase Order has different amounts and sales tax is calculated incorrectly.
    - The vendor invoice shows that four (4) more t-shirts were ordered than were included on the handwritten Purchase Order with a different item cost (\$6.40 each versus \$6.50 each). The shirts are a different price and the sales tax is calculated correctly.
    - The final purchase exceeded the amount on the handwritten Purchase Order which was approved by the principal by 64.35% (\$100 original Purchase Order; \$164.35 final invoice). There was no evidence of appropriate subsequent approval granted by the principal as required by the purchase procedure.
- Sales Tax
  - Sales tax was reimbursed to an employee via check #892837 who had made a school purchase with personal funds. Purchase would have been tax exempt if it had been made with a school P-card or by using a school Purchase Order and check.
- Payroll
  - Employee not charged for exception time included on his timesheet. Employee was terminated and is inactive in Munis so no correction can be done.

### Principal's Response:

*We have made internal procedural changes so that these actions regarding deposits do not occur again as well as issues related to support organizations. We are continuing to work with staff to make certain that funds are deposited and collected in a timelier manner and according to policy, as well as paperwork for activities and fundraisers. In terms of time sheets, we have a new principal's secretary and she is following procedures accordingly. All coding differences have been reconciled and completed according to policy. We are monitoring and considering our procedure for athletic participation fees to ensure that errors will not occur. All of the other issues have been addressed and resolved.*

Jessica Schultz  
Principal



## SUNLAKE HIGH

- Expenditures
  - Three (3) purchase request forms (MIS #172) did not contain requestor information or signatures; Check #'s 6769, 6886 and 7041.
  - The commitment for the security services for sports event were made prior to the proper approval from the Principal in the following two (2) samples: Check # 6769 and Check # 7041.
  
- Sales Tax Expense
  - Sales tax was reimbursed to an employee who had made a school purchase with personal funds; Check # 6685.

Principal's Response:

*Michael Cloyd became principal on May 6, 2015. He will learn from these results and work with his bookkeeper to address the concerns raised. **Expenditures:** This year we will put in a blanket purchase order for security at the beginning of the year to anticipate our needs. As for the charter bus, the Athletic Director did not use the school charge card, so a check had to be written. **Sales Tax Expense:** The store did not honor the tax exempt status. We will be more careful not to reimburse tax paid.*

Michael Cloyd  
Principal



## LAND O' LAKES HIGH

- Collections
  - Three (3) collections reviewed were not remitted to the Bookkeeper at the end of the day. Official Receipt #'s 45970, 60979 and 70733.
  - One collection was not deposited within five (5) business days of receipt. Official Receipt # 60979.
- Expenditures
  - Invoices for six (6) of the purchases reviewed were not canceled "paid" after the check was issued. Check #'s 6476, 6508, 6557, 6687, 6723 and 6982.
- Cancelled/Missing/Voided Checks
  - Unable to locate Check #'s 6680, 6694.

Principal's Response:      *No Response*

**Ric Mellin**  
**Principal**

**LAND O' LAKES HIGH SCHOOL**

20325 GATOR LANE · LAND O' LAKES, FL · 34638  
PHONE 813-794-9400 · FAX 813-794-9491

AN INTERNATIONAL BACCALAUREATE  
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*One of America's best public high schools*  
*Rated "A" by the FLDOE*



## WIREFRASS RANCH HIGH

- Collections
  - Three (3) of the collections reviewed were not entered into Munis in a timely basis, but were verified and deposited within five business days; Official Receipt #'s 25754, 25794 and 43063.
  
- Expenditures
  - Contrary to the Internal Account Procedures, Check # 6381 was made payable to “cash”, and issued in the amount of \$6,000 on 8/7/2015 for a registration day change fund.
  - No invoice on file for Check # 6761 issued in the amount of \$3,641.17.
  - The Check Requisition/Purchase Order for Grad Bash tickets in the amount of \$18,897 was not approved by the Principal and funds were not encumbered prior to the issuance of the Check # 6695. However, Board approval for this field trip was obtained on August 12, 2014.
  - Invoices were not canceled “paid” after the check was issued; Check #'s 6376, 6418, 6516, 6555, 6572, 6695 and 6716.
  
- Cancelled/Missing/Voided Checks
  - No documentation on file for voided Check #'s 6689, 6690, 6691, 6693, 6781 and 6782.

### Principal's Response:

Collections – *Prior to having approval for a full time cashier, the bookkeeper was attempting to keep up with a large number of deposits without assistance. This problem has been corrected with the addition of a full time cashier.*

Expenditures - *The check was made to cash based on direction from Linda Small, bookkeeper resource at the time. This has been corrected for the 2016-17 SY.*

*New cafeteria manager wrote out all items on PO instead of providing a separate invoice which has been corrected since the 2015-16 SY.*

*Steps for Principal signature have been established since the 2015-16 SY.*

*Invoices are now marked PAID as directed. Was not informed of this procedure prior to the 2014-15 SY.*

Cancelled, Missing & Voided Checks – *Previous bookkeeper followed a different procedure and the present system is now in line with current practices.*

**Robyn White**  
**Principal**

**WIREFRASS RANCH HIGH SCHOOL**  
**Wesley Chapel, Florida**



## **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 below, 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](http://www.pasco.k12.fl.us/library/audit/REPORT_ON_COMPLIANCE_INTERNAL_ACCOUNTS_2014-15.docx)