



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: April 18, 2017

TO: School Board of Pasco County

FROM: Mary Tillman CPA CIA, Director of Internal Audit

RE: Internal Accounts Audit 2015-16– Part 1 – 13 out of 47 Elementary Schools

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, 2016.

This report includes the results of audit for several Pasco County schools for the fiscal year 2015-16. 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 along with our review of internal controls 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, 2016 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. We will review these reports in the next audit cycle.

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

http://www.pasco.k12.fl.us/library/audit/AUDIT_METHODODOLOGY_INTERNAL_ACCOUNTS_2015-16_2.docx

Financial statements for the schools' internal accounts may be found on page 129-131.

http://www.pasco.k12.fl.us/library/finance/cafr/Final_CAFR_Pasco_Schools_FY16.pdf

Notes to financial statements are found here:

http://www.pasco.k12.fl.us/library/audit/NOTES_TO_FIN_STMTS_INTERNAL_ACCOUNTS_2015-16.docx

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

- 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.
 - All official documents must be signed with an original signature, not a signature stamp.
- 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.
- 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, source, and date of collection.
 - 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 should be deposited to the bank on the same date of collection or the next business day if at all possible. Otherwise, collections are required to be deposited to the bank within 5 working days of initial receipt to reduce the risk of loss or theft.
- 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.
- 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.
- Healthy School Team
 - Each District school site is required to establish and maintain a Healthy School Team per the Florida Department of Agriculture and Consumer Services (FDACS) published rule.
 - The Student Wellness Policy Implementation Fundraising Regulations and Procedures requires:
 - Effective with the 2015-2016 school year, competitive food and beverage items sold to students during the school day **must** meet the nutrition standards for competitive food as defined and required in 7 CFR 210.11.

- A fundraising activity should first be identified as either food or non-food sales and indicated on the **revised** Fund Raising Activity (FRA) Application/Recap form by checking the appropriate box. As always, all fundraising activities require a properly completed FRA form to be available for audit.
- Schools **must** have an annual calendar of fundraisers and indicate “Exemption” days. Does not need to be a separate calendar, but must be accessible on school website.

- 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.

- Tangible Personal Property
 - Tangible personal property consists of furniture, computers, motor vehicles, and other items of a non-consumable, non-expendable nature that cost \$750 or more and have a normal life expectancy of one or more years. Property items meeting this description must be accounted for in the Munis system and tagged with a District bar coded property tag, regardless of how they were acquired. Other items such as iPads are separately tagged and entered in the Munis system even though their cost is generally less than \$750.

- Missing/Voided 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.
 - Data Entry Errors - 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.

CHASCO ELEMENTARY SCHOOL

- Healthy School Team Calendar
 - Fundraising activities were not posted on school’s website.

- Collections
 - Monies collected in the amount of \$1,085.75 per receipt #128381 was for sales from the Fall Festival. The Fund Raising Activity Application/Recap form (MIS #176) was not on file.
 - Monies collected in the amount of \$265.75 per receipt #182538 was from the sale of food to raise money through All Pro Dad program.
 - It should have been coded 4914xxx (Fundraiser) rather than 4909xxxx (General sales). Fund Raising Activity Application/Recap form (MIS #176) was not on file.
 - Despite the review of records related to expense that relates to this revenue, auditor was unable to determine if the food that was sold was in compliance with Smart Snack standard.
 - Monies collected in the amount of \$870.60 per receipt #183040 was from Scholastics Book Fair. Funds collected on 5/17/2016 (Tuesday) was not submitted to the bookkeeper until 5/19/2016 (Thursday).

- Expenditures
 - Check #7232 in the amount of \$400.00 was a change fund for Fall Festival. Check Requisition/Purchase Order (MIS #172) was not on file.
 - Check #7262 in the amount of \$6,478.92 was a Due to District payment for various items. Check Requisition/Purchase Order (MIS #172) was not on file. The following selected items were not traced to particular P-card statements in MUNIS or invoices to reconcile to:

<u>Amount</u>	<u>“Ref” per MUNIS</u>
\$139.90	Rental/Lease
<u>15.24</u>	Fundraising Supplies
Total \$155.14	

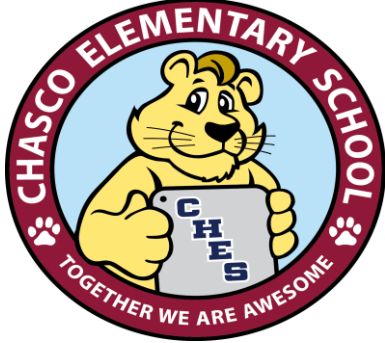
- Check #7265 in the amount of \$408.00 was a payment to Lane-Glo for field trip expense. Check Requisition/Purchase Order (MIS #172) was not on file.
- Check #7312 in the amount of \$7,245.25 was a Due to District check. Check Requisition/Purchase Order (MIS #172) was not on file. Selected item in the amount of \$7,245.25 was P-card statement #84520 (\$7,134.00) and adjustment (20160422 Journal Entry Interface: Ref# 875000) in the amount of \$111.25. Researched in MUNIS for \$111.25, but the transaction was not located. No documentation to provide the source of \$111.25 was on file.

- Cash Transfers/Adjustments
 - The following Transfer journals were missing account sponsor’s signatures and were not dated by the principal. Auditor was unable to verify whether the proper approval was in place before the transfer took place:
 - Journal #214489: Funds in the amount of \$65.00 were transferred from 920019 (4th and 5th End of Year activities) to principal’s general account.
 - Journal #214500: Fund in the amount of \$488.28 was transferred from 940100 (student council) to 900100 (principal’s general account).
 - Journal #214504: Fund in the amount of \$2,096.39 was transferred from 940500 (Odyssey of the Mind) to 900100 (principal’s general account).

Principal's Response:

My Bookkeeper and I have worked together to fix these errors. Together we will make clear procedures moving forward.

Michele Dilorio, Principal



COTEE RIVER ELEMENTARY SCHOOL

- Expenditures
 - Check #10807 was issued in the amount of \$138.00 to the New Port Richey Recreation Center for a Learn to Swim program. The attached invoice was not canceled “paid” after the check was issued for payment.
 - Field Trip admissions were coded in error to 53930311 – Promotions & Public Relations, proper coding would have been 53950311 – Field Trip Expenses for check #10815 issued in the amount of \$3,300.00.
- Sales Tax Expense
 - Sales tax in the amount of \$16.11 was reimbursed in error to a staff member who purchased supplies for the school’s Field Day with check #10793, issued in the amount of \$465.05.
- Voided/Missing Checks
 - Voided/missing checks were on file at the school and the signature block had been removed, but “VOID” had not been written across the face of the following checks: #10775-10778, #10746 and #10814.
- Cash Transfers and Adjustments
 - \$4,255.00 in Student Supply Fee donations were transferred to the principal’s account on 1/25/2016 with cash transfer #174413 with no clear way to determine if these funds were used on purchases to benefit the student body of Cotee River Elementary.

Principal’s Response:

Expenditures:

- *Reviewed procedure and the bookkeeper will develop a system to double check that each invoice is stamped paid and coding is double checked.*

Sales Tax:

- *When reviewing receipts for reimbursements the bookkeeper will double check that tax is not refunded and the person will be notified before making the purchase.*

Voided/Missing Checks:

- *In addition to removing the signature block, the bookkeeper will write VOID in black on the face of the check.*

Cash Transfers and Adjustments:

- *When a cash transfer is made, within internals, the bookkeeper will write what we are purchasing and scan an invoice with the transaction for future purchases. Funds that were transferred were used for the following: media chairs, makerspace resources, student incentives, student end of the year rewards, books/bins for IRLA and community outreach items.*

Sharon Sacco Slusser, Principal



Cotee River
ELEMENTARY SCHOOL

**You just can't hide
that Cotee River pride!**

FOX HOLLOW ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - Fundraising activities are not posted on the school’s website.

- Collections
 - Monies collected in the amount of \$30.00 per receipt #129508 and \$9.00 per receipt #166704 were collected and submitted to the bookkeeper but were not deposited in the bank timely as follows:

<u>Receipt #</u>	<u>Amount</u>	<u>Date to</u> <u>Bookkeeper</u>	<u>Date</u> <u>Deposited</u>
129508	\$30.00	11/6/15 (Fri)	11/13/15 (Fri)
166704	<u>9.00</u>	3/18/16 (Fri)	3/30/16 (Wed)
Total \$39.00			
 - Monies collected in the amount of \$4,412.49 per receipt #135741 were for a Cookie Dough fundraiser. The Fundraising Activity Application /Recap form was not on file; thus the auditor was unable to determine the purpose, total revenue, expense, and net proceeds of the fundraiser.

- Expenditures
 - Check #12243 in the amount of \$819.00 was for order of T-shirts for staff. The purchase was made on 9/21/2015 prior to 9/24/2015, the date the expenditure was approved by the principal.
 - Check #12270 in the amount of \$53.00 was to participate in Odyssey of the Mind. The online payment was made on 3/9/2016 prior to 3/10/2016, the date the expenditure was approved by the principal.
 - Check #12276 in the amount of \$401.50 was a payment for the share of Teddy Bear Sales to Thomas E. Weightman Middle School. No documentation to support the amount of \$401.50 was on file. The Fundraising Activity application/recap form was not on file. Auditor was unable to determine the purpose of the fundraiser.
 - Check #12289 in the amount of \$18,562.43.00 was a Due to District payment. The sampled item in the amount of \$6,883.00 was a payment for a field trip to Disney. The Field Trip Request form was not on file.

- Cash Transfers/Adjustments
 - Funds in the amount of \$183.83 were transferred from the ABC account to a Field trip account for the children who could not afford the cost. ABC funds should be used only for the basic necessity and not for the field trip per Thomas E. Weightman ABC Program Guidelines, Revised March 2012 distributed by Memorandum SS004A 12/13 dated July 25, 2015.

Principal’s Response:

At FHES, we will ensure that when we receive specific grant funds that we will have an assigned leader to oversee the monies and duties. Also as a result of the audit, we have now placed a fundraiser calendar on our website. ABC funds will be used to support scholars who cannot afford to attend school field trips. We understand that this fund was created for necessities. We will ensure that our Requisitions and checks are aligned with the same dates or after the requisitions have been signed and that our fundraising procedures are tighter.

Karyn Kinzie, Principal



GULF HIGHLANDS ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - Fundraising activities are not posted on the school’s website.
- Collections
 - Monies collected in the amount of \$7.00 per receipt #130012 collected on 11/5/2015 (Thursday) was not submitted to the bookkeeper until 11/9/2015 (Monday).
 - In the following two (2) instances, the auditor was unable to determine whether the monies collected were timely submitted to the bookkeeper because the date that the monies were collected was not written on MIS #170 by the original collector:

<u>Receipt #</u>	<u>Amount</u>	<u>Purpose</u>
168566	\$ 56.00	Field trip to MOSI
183192	200.00	5 th grade End of Year activity

- Field Trip Revenue
 - Field trip forms were not on file for the following two (2) items:

<u>Receipt #</u>	<u>Amount</u>	<u>Purpose</u>
130012	\$ 7.00	Glazer Children’s Museum
168566	56.00	MOSI

- Expenditures
 - Four (4) out of nine (9) purchases reviewed on audit were made prior to the dates the principal approved the expenditures. They are as follows:
 - 1) Check #4655 (\$221.45): The purchase was made on 9/12/2015, prior to 9/22/2015, the date the principal approved the expenditure.
 - 2) Check #4669 (\$223.36): The purchase of T-shirts was made on 10/7/2015, prior to 11/12/2015, the date the principal approved the expenditure.
 - 3) Check #4689 (\$2,153.20): The purchase of fundraising supplies was made on 1/15/2016, prior to 1/20/2015, the date the principal approved the expenditure. * In addition, the fundraising activity application/recap was not on file.
 - 4) Check #4703 (\$441.00): The purchase of movie licensing was made on 3/1/2016, prior to 3/16/2016, the date the principal approved the expenditure.
 - A data entry error was found on one (1) of the sampled items in the amount of \$461.24, a part of Due to District check #4714. Check #4714 was keyed in for check stock #4713.

Principal’s Response: I have discussed your findings with my bookkeeper and the proper corrections will be made.

Judith Cosh, Principal



GULF TRACE ELEMENTARY

- Collections
 - Monies collected in the amount of \$315.00 was not submitted timely. It was collected on 10/6/2015 (Tuesday) but not submitted to the bookkeeper until 10/9/2015 (Friday).
 - Monies collected in the amount of \$425.00 was not submitted timely. It was collected on 10/29/2015 (Thursday) but not submitted to the bookkeeper until 11/3/2015 (Tuesday).

- Expenditures
 - Check #4378 in the amount of \$19,550.57 was for purchase of media furniture. Two (2) mobile shelving units (LOGIFLEX Drift Curved Convex Mobile Shelving (DFTS-4818x-M-MOB-KD) were over \$1,000 each but the items were not tagged.

- Sales Tax Expense
 - \$48.58 was allocation in Check #4397 for fund raising supplies purchased from Oriental Trading. Sales tax was not paid or accrued and not reported to the District.

- P-Cards
 - The transaction in the amount of \$76.34 per P-card statement #68657 was a purchase of Desktop Reference Starter Set (to place phone lists or other quick reference items in letter size clear folders). This item was available at \$45 through our bid vendor, Office Depot. Purchases should have been made through bid vendors.

- Cash Transfers/Adjustments
 - Properly completed Cash Adjustment/Cash Transfer forms were not on file for the following two (2) cash adjustments:

Journal #	Amount	From	To
139121	\$300.00	900100	922117
139125	\$5,061.49	946501	900100

Account Description

<u>Account #</u>	<u>Description</u>
900100	Principal’s General
922117	ESE SBP (EDB Unit)
946501	All Pro Dad

Principal’s Response:

Collections - As part of our staff guidelines we will continue to emphasize the need for any funds collected to be counted, documented, dated, signed and turned in to the bookkeeper within the necessary timeline. Administration will work with the school bookkeeper to ensure that money collected will be counted, signed and deposited each week.

Inventory Tagging - Administration and the bookkeeper will work with the school’s RMA to ensure that all furniture items on the school inventory that are over \$1000 will be tagged. The bookkeeper has requested and verified that the tags for items listed in the audit are being processed.

Sales Tax Expense - Administration will work with the bookkeeper to ensure that sales taxes are paid on items that are sold to other stakeholders. The bookkeeper will try to get a clearer understanding on events vs fundraisers at events.

P-Cards - Administration and the bookkeeper will ensure that bid vendors do not have items needed before submitting an order with an outside vendor. Item listed from Office Depot was a different style than the requested one. The purchased item uses less desk space and was ordered from our bid vendor John H. Green.

Cash Transfer/Adjustments – Administration and the bookkeeper will ensure that the new Cash Transfer/Adjustment forms are used with future transfers.

Hope Schooler, Principal
GULF TRACE ELEMENTARY



HUDSON ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - The Healthy School Team Fundraising calendar is not posted on school's website.
- Collections
 - Funds raised by the PTA during Fall Festival, in the amount of \$69 per receipt #126504, did not have the required application/recap on file.
- Cash Transfers/Adjustments
 - Funds in the amount of \$1,172.85 were transferred from the principal's Fund A account – picture commission (900101) to principal's General Account (900100) per transfer #172585. Cash Transfers/Adjustment form to support this transfer was not on file.

Principal's Response:

Healthy School Team Fundraiser Calendar: PTA was asked to forward a fundraising calendar so it could be added to the school website.

Collections: The Bookkeeper reviewed Support Organization Agreement with the PTA treasurer noting specifically DSBPC Policy 9211 terms and conditions Number 9 and provided a fundraiser folder containing FRA Application/Recap document for future use.

Cash Transfers/Adjustments: Previous to the transfer, bookkeeper spoke to Finance for guidance in regard to this particular transfer and misinterpreted the conversation. Cash transfer documentation requirements have been clarified.

Dawn Scilex, Principal



Hudson Elementary School

Courage to Learn, Achieve, Win and Succeed

NORTHWEST ELEMENTARY

- Healthy School Team Fundraiser Calendar
 - Fundraising Calendar was not posted on school website.

- Collections
 - The monies collected in the amount of \$192.50 per receipt #166747 were submitted to the bookkeeper on 3/18/2016, but were not deposited in the bank until 3/30/2016, which was more than the required five (5) business days.

- Expenditures
 - Check #3756 in the amount of \$2,184.95 was a payment to Gulfside Custom T-shirts, Inc. The purchase was made on 2/25/2016, prior to 4/1/2016, when the expenditure was approved by the principal.
 - Check #3684 was a payment for hotel room accommodations in St. Louis Missouri for the field trip to accept an International Reading Association award. Sponsor teacher reserved two (2) rooms for Four (4) people including two (2) graduated 6th graders through the company called Apple Nine Services, St. Louis, Inc. The funds should not have been raised through www.Gofundme.com.

Principal's Response: No Response Received.



Nicole Reynolds, Principal
NORTHWEST ELEMENTARY SCHOOL
HOME OF THE MUSTANGS



PASCO ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - Fundraising Calendar was not posted on school website.

- Collections
 - Three (3) out of five (5) sampled items revealed that the funds collected were not submitted to the bookkeeper within required 24 hour time frame. Funds collected must be submitted to the bookkeeper within required 24 hours. The detail is as follows:

<u>Receipt</u>	<u>Amount</u>	<u>Received</u>	<u>Submitted</u>
110047	\$105.00	08/24/2015 (M)	08/26/2015 (W)
167300	560.00	02/23/2016 (Tu)	03/02/2016 (W)
182122	90.00	05/05/2016 (Th)	05/10/2016 (Tu)

- Expenditures
 - Check #5945 in the amount of \$600.00 was for fundraising supplies. There was no Check Requisition/Purchase Order form (MIS #172) on file. Fundraising application form (MIS #176) was on file but there was no recap (MIS #177) on file.
 - Check #5959 in the amount of \$8,386.15 was a Due to District check without Check Requisition/Purchase Order form (MIS #172) on file. Transactions included are P-card transaction and transportation.

Principal's Response:

Healthy School Team Fundraiser Calendar:

A fundraising calendar will be kept on the school website

Revenue:

Funds collected will be submitted to the bookkeeper within the 24 hour time frame required.

Expenditures:

A Check/Requisition/Purchase Order will be completed for all payments made including Due to District Field Trip Transportation expenses.

A Recap will be completed for each fundraiser held.

Nena Green, Principal
Pasco Elementary School

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



QUAIL HOLLOW ELEMENTARY SCHOOL

- Expenditures
 - Check #1072 was issued in the amount of \$143.42 for student incentives and was erroneously coded as professional and technical services.

- Voided/Missing Checks
 - Unable to locate voided check #'s 1000 and 1001.
 - The signature block of missing or voided checks were not removed on the following voided check stock:
 - #1002
 - #1024 – 1033
 - #1037

Principal's Response:

Expenditures: Bookkeeper will pay closer attention while coding

Voided/Missing Checks: Missing voided checks were the first two checks and were sent to Tyler to be formatted. No copy made. Voided checks are now in a separate file folder in order by number and readily accessible to auditor.

Kara Smucker, Principal
Quail Hollow Elementary School



SANDERS MEMORIAL ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - The Healthy School Team Fundraising calendar is not posted on school’s website.

- P-Cards
 - Two (2) items selected for review was the purchase of a Tom Cat Auto Scrubber in the amount of \$6,805 and a Tom Cat edge 20” stick for \$2,197.80 (P-card statement #56744). These items were not properly tagged.

Principal’s Response:

Healthy School Team Fundraiser: In 2015-16 the fundraising Calendar wasn’t posted but we have it included within our Parent Calendar for 2016-17 since the beginning of the year. It is updated with changes that that occur consistently.

P-Cards: Property Control was contacted and we have since had the tags sent and they are now tagged.

Jason Petry, Principal

Sanders Memorial is a  **magnet school**

SCHRADER ELEMENTARY SCHOOL

- **Healthy School Team Fundraiser Calendar**
 - Fundraising activities were not posted in the calendar on school’s website.

- **Collections**
 - Monies collected in the amount of \$2,528.00 per receipt #168304 on 3/28/2016 (Monday) was not submitted to the bookkeeper until 4/1/2016 (Friday).
 - Monies collected in the amount of \$3,098.58 per receipt #175593 were for World’s Finest Chocolate fundraiser. The date the bookkeeper certified the deposit was not on file. The Fundraising application was on file but the recap was not completed.

- **Field Trip Revenue**
 - Monies collected in the amount of \$117.00 per receipt #173096 and #175477 respectively were for the field trip to Homosassa Springs. Field Trip Request form was not on file.

- **Expenditures**
 - Check #2364 in the amount of \$260.85 was a reimbursement to an employee for the purchase of thirty-seven (37) Holiday turkeys for the ABC students. ABC program is for the basic needs for the students and the family. The revised Program guide dated March 2012 specifically notes that “This holiday assistance should be viewed separately from the ABC program.”
 - Check #2435 in the amount of \$7,413.00 was a purchase of fundraising supplies for World’s Finest Chocolates. Purchase was made on 3/31/2016 without proper authorization from the principal, which was dated 5/3/2016.
 - Check #2444 in the amount of \$764.62 was a purchase of fundraising supplies. The purchase was made on 5/9/2016 without proper authorization from the principal, which was dated 5/10/2016.
 - Check #2453 in the amount of \$2,920.00 was for 5th grade field trip to Busch Gardens. There was no itemized invoice/receipt from Busch Gardens. The Field Trip Request form was not on file.

- **Cash Transfers/Adjustments**
 - The following funds were transferred from the ABC fund (940000) to certain grade field trip accounts (920031, 920035, and 920033) respectively for the ABC students for the field trip fees:

<u>From</u>	<u>To</u>	<u>Amount</u>
940000	920031 (5 th gr field trip)	\$15.00
940000	920035 (Kdgn field trip)	22.00
940000	920033 (3 rd gr field trip)	<u>36.00</u>
	Total	\$73.00

Documentation to support ABC activities and expenditure was not on file.
 - The ABC fund is for students’ and their families’ basic needs. ABC committee should have been developed to review and establish all ABC activities and expenditures and maintain applicable log.

Principal’s Response:

All areas were discussed with the bookkeeper and an action plan was developed with administration to correct the areas in need of improvement. Findings that need correction from classroom teachers will be discussed at the upcoming Professional Learning Community facilitation meeting.

Lee-Anne Yerkey, Principal

Schrader Elementary School



TRINITY ELEMENTARY SCHOOL

- Healthy School Team Fundraiser Calendar
 - Some fundraisers that involve food items were on the school calendar on website. Fundraiser with sales of tangible items were not in the school calendar.

- Collections
 - Monies collected by receipt #128183 were for field trip to Homosassa Springs. The funds that were collected for a field trip to Homosassa Springs (receipt #128183) on 10/21/2015 (Wednesday) were not submitted to and certified by the bookkeeper until 10/23/2015 (Friday).
 - Monies collected by receipt #159221 were for the field trip to MOSI. The field trip request form was not on file.

- Field Trip Revenue
 - Monies collected in the amount of \$125.00 per Receipt #159221 was for a field trip to MOSI. Field Trip Request form (MIS #106) was not on file.

- Expenditures
 - Checks #4954 and #4955 were issued for the purchase of activity tables for the classroom. Invoice totals were more than \$1,000 but each item was less than \$300. Thus these check should have been coded 5642xxxx (Furniture and Equipment less than \$1,000) rather than 5641 (Furniture and Equipment more than \$1,000) since each item was less than \$300.

Principal's Response:

We have reviewed procedures and protocols.

**Courtney Gantt,
Principal**

Trinity Elementary School



WOODLAND ELEMENTARY SCHOOL

- Expenditures
 - Check #8962 was issued in the amount of \$90.48 for Scholastic Magazines subscriptions and was erroneously coded as rental and leases.

- Voided/Missing Checks
 - Unable to locate missing/voided check #8946.

- Cash Transfers/Adjustments
 - No documentation was on file for two (2) of the following transfers reviewed:
 - Journal #147373 in the amount of \$500.00
 - Journal #147375 in the amount of \$100.00

Principal's Response:

I reviewed the findings with the bookkeeper. We have the correct forms and procedures needed to correct these issues.

Shaunte Butcher, Principal



Woodland Elementary School

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_2015-16_1.docx