



# 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: 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 – 9 out of 18 High Schools

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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, 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](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](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](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.
- 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.
- Charges to Students
  - No provision exists which would authorize the requirement of payment of fees for consumable materials and supplies, educational materials, matriculation, or tuition as a prerequisite to a student's enrollment in public school.
  - The Board is authorized to receive gifts and donations and is held accountable for such. The Board is authorized to solicit students for financial assistance to cover the cost of consumable and other educational materials and supplies. The response to such solicitation must be entirely voluntary on the part of the student or his/her parents, therefore no sanctions will be imposed against a student who did not voluntarily respond to such solicitation.
  - The Board shall approve all fee schedules before they become effective.
- 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.
- 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.
    - Copies of the check and any other accompanying documents must be retained.
  - 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.
  - Fee Supported Programs
    - The district allows fee supported programs and camps of special interest to be offered at schools upon the review and approval of the school principal and the appropriate district

supervisor. Fee supported programs, other than work related coursework or job training will be approved based on demand, sufficient enrollment, and approval by the principal and district office.

- Fee-based camps must be for the benefit of students
- A School Sponsored Camp/Fee Supported Program Proposal form and Budget form must be completed by the interested staff member and approved by the principal.
- 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.
- 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 complete 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.
- 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.

- One Time Vendor
  - Munis provides a generic option to use as a payee for internal accounts checks. This allows the school bookkeeper to write a check to someone who has not been vetted as a vendor by Purchasing. The actual payee is recorded in the system but not in a way that it could be included in normal computer search. Therefore these transactions cannot be identified or analyzed with similar transactions. Also, checks are written against internal funds to payees who have not been vetted and approved by Purchasing.
  - There are certain circumstances where it is appropriate to use the One Time Vendor as a payee. When checks are written to parents or students as refunds, it is not practical to vet these individuals as vendors. When writing checks to employees for change funds, it is appropriate to use the One Time Vendor options because the check is not being written to the employee for goods or services and the transaction could be identified by the change fund coding. Any other use of the One Time Vendor is not allowed.
  
- 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.
  
- Refunds
  - If a refund must be issued to a student, the staff member involved in the transaction (not the bookkeeper) must complete a Purchase Order/Check Requisition (MIS #172) for approval by the principal. The bookkeeper will write the office receipt number from the original Monies Collected Form where the funds were collected.
  
- 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.
- 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.
- 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.
- Travel
  - All travel reimbursements for mileage, meals, per diem and other expenses must be made through the District. The District will either charge the appropriate district budget account or charge back to internal accounts.
- 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.

## **ANCLOTE HIGH SCHOOL**

- Healthy School Team Fundraiser Calendar
  - Fundraising activities were not posted in calendar on school’s website.
  
- P-Cards
  - The P-card transaction, statement #79153, was for the purchase of Media supplies. The receipt was not signed by the card holder.

*Principal’s Response:*

*Healthy School Team Fundraiser Calendar*

*Fundraisers are now indicated on the calendars, which can be located on the school website.*

*P-Cards*

*Every effort will continue to be made to ensure all P-Card receipts are signed by the cardholder.*

**ELAINE WILLIAMS, PRINCIPAL**



**FIVAY HIGH SCHOOL**

- **Healthy School Team Fundraisers**
  - There are exceptions to Healthy School Team fundraiser exemption days during year 2015-2016 that lasted more than the allowed 15 exempt days. One (1) example is ADS Unit Caramel Popcorn sale from 11/16/2015 through 12/17/2015.
- **Field Trip Revenue**
  - Monies collected in the amount of \$230.00 per receipt #128722 was for American Sign Language field trip. Field Trip Request was not on file.
- **Expenditures**
  - The following four (4) expenditures were not supported by the Check Requisition/Purchase Request form (MIS #172):

<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>
5255	District Sch Bd of Pasco Cty	\$ 1,625.00
5407	District Sch Bd of Pasco Cty	9,541.56
5426	Educational Experiences Inc.	6,796.97
5481	Rusty Pelican	11,532.50

    - Check #5426 in the amount of \$6,796.97 was paid to Educational Experiences, Inc. for field trip (Grad Bash). No Field Trip Request form was on file.
    - Check #5481 in the amount of \$11,532.50 was for food purchase at the Rusty Pelican for the Prom. coding should have been 5393xxxx (Promotion & Public Relations) rather than 5510xxxx (Supplies).
    - Check #5284 in the amount of \$80.63 was a reimbursement to an employee for the purchase of food/paper products for Thanksgiving event. The purchase was made on 11/16 and 11/17, 2015 prior to approval by the principal on 12/1/2015.
- **Cash Transfers/Adjustments**
  - Journal #198094: The transfer in the amount of \$5,000.00 was from FHS concession sales account to the Principal’s account, per principal’s request. The form was missing signatures and dates from the sponsor and the bookkeeper. Year, period, date, and journal number at the bottom of the form were not completed.
  - Journal #207561: The transfer in the amount of \$300.00 was from the Student Council account to Principal’s account for a Teacher Appreciation Donation. Sponsor’s signature was on Check Requisition/Purchase Request form (MIS #172) instead of on the Cash Transfer/Cash Adjustment form. The form was missing signatures and dates from the sponsor and the bookkeeper. Year, period, date, and journal number at the bottom of the form were not completed.

Principal’s Response

*The above listed findings were from the previous administration. I reviewed our processes/procedures and instituted procedures for these exceptions not to occur again. I reviewed the following and discussed with the bookkeeper to avoid future findings:*

Collections

- *The bookkeeper will review requests (in conjunction with administration) to ensure proper field trip paperwork is on file.*

Expenditures

- *Checks 5255 and 5407 were due/payable to District. Expense forms are attached showing exactly what is being paid. Principal signs checks in agreement. We will ensure clarity on all forms to explain purchases/expenditures.*



- *Grad Bash (check 5426) was an event, not a field trip. No extra money was collected.*
- *The finding for Check 5481 is noted and will be corrected for the future.*
- *Employees/staff will be reminded to follow procedure and obtain prior approval for expenses or expect no reimbursement.*

Cash Transfers/Adjustments

- *Bookkeeper will ensure that cash transfers are complete.*
- *Cash transfers do not have journal entry numbers. In that event, bookkeeper will ensure forms are signed correctly.*
- *There is no sponsor for FHS concessions. We will work to resolve this issue/finding*

**Christina Stanley, Principal**



## HUDSON HIGH SCHOOL

- Collections
  - Monies collected in the amount of \$180.00 per receipt #107406 was for football participation fees. The monies collected on 8/12/2015 (Wednesday) were not submitted to the bookkeeper until 8/17/2015 (Monday).
  - Monies collected in the amount of \$28.00 per receipt #128920 was for a district competition fee for drama. The monies collected on 10/23/2015 (Friday) were not submitted to the bookkeeper until 10/27/2015 (Tuesday).
  
- Expenditures
  - The Check #17363 was for reimbursement for the purchase of a show pig. Invoice date was 10/18/2015, prior to the Check Requisition/Purchase Order (MIS #172) dated 10/19/2015. The business purpose was not stated in MIS #172.

### Principal Response:

*Collections: This is something that seems to appear on audit reports throughout the district year after year. While we continually encourage and stress the importance of making deposits in a timely manner, often, depositing funds by the next business day is not possible or there are circumstances that prevent this from occurring. Teachers or coaches being off campus, weekends, holidays, etc. Funds collected on 10/23/15 – a Friday, were not deposited until 10/27/15 the following Tuesday may have been such a situation, particularly if the teacher or coach was out that Monday. Sometimes papers come in with incorrect dates. We do everything we can to be sure funds are deposited in a timely manner and for the most part, our staff does well in meeting that goal. Problem situations are brought to my attention and we do address these issues with those involved as they occur.*

### Expenditures:

*The business purpose was the purchase of a show pig as stated and coded to FFA.*

**David La Roche, Principal**



**HUDSON HIGH SCHOOL**  
**WE ARE HUDSON TOUGH**

14410 COBRA WAY, HUDSON, FLORIDA 34669 | (727) 774-4200 | Fax: (727) 774-4291

**JAMES IRVIN EDUCATION CENTER**

- Healthy School Team Fundraiser Calendar
  - No Healthy School Team program leader is assigned.
  
- Collections
  - The following funds collected were not submitted to the bookkeeper within required 24 hour time frame:

<u>Receipt #</u>	<u>Amount</u>	<u>Collected</u>	<u>To Bookkeeper</u>
105111	\$236.43	7/21/15 (Tu.)	7/23/15 (Thu.)
144480	25.00	1/08/16 (Fri.)	1/12/16 (Tu.)
149875	<u>6,689.10</u>	1/27/16 (Wed)	1/29/16 Fri.)
Total	\$6,950.53		

Principal’s Response:

Healthy School Team Fundraiser Calendar

No Response

Collections:

*In the future all monies will be collected within 24 hours.*

**Cloty Davis, Principal**



**James Irvin Education Center**

<u>Principal</u> Cloty Davis	<u>Assistant Principal</u> John Taylor
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**JAMES W. MITCHELL HIGH**

- Collections
  - Monies collected in the amount of \$275.00 per receipt #133261 on 11/09/2015 (Monday) were not submitted to the bookkeeper until 11/11/2015 (Wednesday).
  - Monies were collected in the amount of \$600.00 per receipt #151043. The Fundraising Application was not on file to support the collection.
  - Monies collected in the amount of \$80.00 per receipt #179839 on 5/3/2016 (Tuesday) were not submitted to the bookkeeper until 5/5/2016 (Thursday).

- Expenditures
  - Check Requisition/Purchase Order (MIS #172) was not on file for three (3) of the following Due to District checks:

<u>Check #</u>	<u>Date</u>	<u>Amount</u>
21192	1/29/16	\$1,131.94
21217	2/05/16	4,613.63
21396	4/08/16	3,100.11

- Cash Transfers/Adjustments
  - A Transfer in the amount of \$3,165.00 from Basic General Fee account (922101) to PE Locks/Lockers (950600) per journal #147969 was not supported by a proper approval. The Transfer request form was not scanned into MUNIS or on file. The only available documents on file were an Excel table and a report from MUNIS which is generated after the transfer.
  - A Transfer in the amount of \$499.06 from Field Trip account (920033) to Math account (922105) per Journal #222630 was missing the sponsor’s signature.
  - No documentation including Cash Transfer/Cash Adjustment form was on file for two (2) of the following transfers:

<u>Journal #</u>	<u>Amount</u>	<u>From</u>	<u>To</u>
147978	\$16,904.00	922101	920006
185148	3,000.00	922113	961000

<u>Acct #</u>	<u>Acct description</u>
920006	PE Locks/Lockers
922101	Basic General fees
922113	Physical Education
961000	Athletic Director’s

Principal’s Response:

*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. All coding differences have been reconciled and completed according to policy. All other issues have been resolved.*

**Jessica Schultz, Principal**



## LAND O' LAKES HIGH

- Expenditures
  - Invoices were not canceled “Paid” after payment was issued for check #7301 in the amount of \$115.95 and check #7317 in the amount of \$803.15.
  - The invoice on file for check #7301 in the amount of \$115.95 is dated prior to the principal’s approval of the Check Requisition.
  - Student meal money was issued in the amount of \$90 for the Boys Tennis State Finals with check #7424. The Student Meal Money Funds Distribution Log only accounts for two students each receiving \$30, leaving \$30 in student meal funds unaccounted for.
- Voided/Missing Checks
  - Unable to locate missing/voided check #s 7154 & 7159.
- Cash Transfers/Adjustments
  - Two (2) of the transfers reviewed were not signed by the account sponsor:
    - Journal #178034 in the amount of \$5,000
    - Journal #178035 in the amount of \$5,027

### Principal’s Response:

#### Expenses:

- *The bookkeeper will employ the strategy of stamping “paid” on invoices prior to scanning into TCM in Munis.*
- *The bookkeeper works with all staff to inform them of the requirements to request payment on an invoice. Individuals who don’t follow policies are counseled.*

#### Voided/Missing Checks:

*Voided checks will remain in a file with the bookkeeper.*

#### Cash Transfers/Adjustments:

*Transfer signatures will be obtained by the three required staff members.*

### **Ric Mellin, Principal**

<p><b>LAND O' LAKES HIGH SCHOOL</b> 20325 GATOR LANE · LAND O' LAKES, FL · 34638 PHONE 813-794-9400 · FAX 813-794-9491</p>	<p>AN INTERNATIONAL BACCALAUREATE WORLD SCHOOL <i>One of America's best public high schools</i> Rated "A" by the FLDOE</p>	
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## PASCO HIGH SCHOOL

- Collections
  - One (1) collection was not turned in to the bookkeeper's office at the end of the business day: Receipt #147667 in the amount of \$141.00 was held two (2) days.
  
- Expenditures
  - Two (2) invoices were not canceled "Paid" after payment was issued: Receipt #24593 in the amount of \$193.63 and Receipt #25074 in the amount of \$42.00
  - The register receipt from a Click N Pull transaction at Sam's Club was not included with the documentation on file for check #25110. This receipt is needed because the actual store price can differ from the online price and change is sometimes given at the checkout which would need to be redeposited.
  - The Student Meal Log Distribution form was not completed and no receipts were attached to support check #24989 written in the amount of \$400.00 for students who attended the state leadership conference.
  
- Quotes, Bids, and Contracts
  - The contract for the prom venue was altered after the approval from the Purchasing Department to include the addition of a loft area. The additional rental was paid with check #25030, in the amount of \$2,275.00.
  - A Professional Services contract and background/fingerprinting was not completed for a person hired to run a cheer camp at the school. Check #25131, in the amount of \$3,400 was written for 50% of the balance due.
  
- Voided/Missing Checks
  - Unable to locate four (4) voided/missing checks: #24923, #25053, #25092 and #25093.
  
- Cash Transfers/Adjustments
  - Missing or incomplete Cash Transfer forms were noted for the two (2) cash transfers reviewed:
    - \$526.00 for Cambridge Celebration payback
    - \$2,969.29 for end of year cleanup

### Principal's Response:

#### Collections:

- The game was on a Friday night. Monday was a holiday and the cashier did not complete the deposit until Tuesday due to a scheduling conflict. The deposit was turned in in a timely manner.

#### Expenditures:

- Previous bookkeeper was unaware of this requirement. The current bookkeeper is aware of this requirement and is following proper procedures.
- This finding was reviewed with the Football/Cheerleading Booster club. They understand the requirements.
- Teacher sponsor remembers completing the forms, but was not able to locate them. The proper procedures were reviewed again with the sponsor. She is going to continue to look for these receipts and meal logs.

Quotes, Bids, and Contract

- This addition was purchased due to increase in ticket sales than the original projections. Also, the venue was going to rent out this additional space to another customer if we did not purchase it, and we felt it was not a safe choice to have other people in the same venue with our students. These proper procedures have been reviewed with the past and present Junior class sponsors.
- This finding was reviewed with the AD and coaching staff. Will not allow this to occur in the future.

Voided/Missing Checks:

- Records were reviewed by 3 staff members. These checks were not able to be located. There was a change in bookkeepers 3 times in the past two years.

Cash Transfers/Adjustments:

- New bookkeeper was not able to locate these from the previous bookkeepers.

**Kari Kadlub, Principal**



## RIDGEWOOD HIGH SCHOOL

- Collections
  - The monies collected in the amount of \$24.00 on 9/29/2015 (Tuesday) were not submitted to the bookkeeper until 10/1/2015 (Thursday). It did not meet the requirement to submit the fund to the bookkeeper within 24 hours of receipt.
- Expenditures
  - Check #24233 in the amount of \$3,510 was for iPad insurance payable to Worth Ave Group LLC. The invoice date (10/9/2015) was prior to the date of the principal's approval (10/30/2015).

Principal's Response:

Collections: Resource Guide for Buying, Doing and Going has been shared with all staff for reference on district policy and procedures as well as annual training for staff at the beginning of each school year.

Expenditures: Although the actual PO was signed after the Invoice date, the Principal/AP was working with the bookkeeper throughout the process of obtaining quote and approving pricing prior to invoice and payment.

### Angela Murphy, Principal





**WIREFRASS RANCH HIGH**

- Collections

- Nine (9) Monies Collected forms were not dated when the bookkeeper certified the receipt of the funds; instead, they were dated when the data entry operator posted the receipts into MUNIS. For this reason we were unable to verify that the funds for the following transactions were turned in to the bookkeeper within the same business day:

<u>Receipt #</u>	<u>Amount</u>	<u>Collection</u>	<u>Bookkeeper</u>
96859	\$20.00	07/06/15	07/09/15
111002	49.00	08/16/15	08/24/15
117364	240.00	09/01/15	10/01/15
117729	190.00	09/14/15	10/02/15
119198	850.00	08/26/15	10/08/15
119460	75.00	09/18/15	09/21/15
119382	96.00	09/18/15	09/22/15
162662	2,861.00	03/04/16	03/08/16
184908	180.00	05/13/16	06/02/16

- The monies collected in the amount of \$96.00 per receipt #119382 were from sales of T-shirts for Anti-bullying program. This was not a fundraiser but rather general sales. Coding should have been 4909xxxx (general sales) rather than 4914xxxx (fundraiser).

- Expenditures

- The following Due to District checks contained more than P-card purchases but did not have Check Requisition/Purchase Order (MIS #172) on file:

<u>Check #</u>	<u>Date</u>	<u>Amount</u>
6925	12/16/15	\$24,760.21
7007	03/06/16	7,061.71

- Cash Transfers/Adjustments

- Principal’s approval signatures were missing from the following four (4) Cash Transfer Journals dated 6/30/2016:

<u>Journal #</u>	<u>Amount</u>	<u>From</u>	<u>To</u>
228585	\$5,270.63	900106	900100
228710	1,707.47	922103	922102
228910	3,000.00	940100	900100
230160	2,580.00	950600	961000

Principal’s Response:

Collections

- *Bookkeepers were documenting the day they receipted the money v. received the money and have now made that correction. In addition, teachers are now being given a conference summary anytime they do not follow procedure and the procedure is re-emphasized to them.*
- *In response to improper coding, principal and bookkeeper are now aware that if no profit is made from a sale, it should be coded as a general sale.*

Expenditures

- *This policy was brought to our attention during the audit and re-confirmed during the bookkeeping meeting and is now being followed as part of procedure.*

Cash Transfers/Adjustment

- *Two of these findings were from bookkeeping resource and bookkeeper was following their lead. All cash transfer forms are now being signed by all parties.*

**Robyn White, Principal**

**WIREGRASS 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 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](http://www.pasco.k12.fl.us/library/audit/REPORT_ON_COMPLIANCE_INTERNAL_ACCOUNTS_2015-16_1.docx)