



Pasco County Schools

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Internal Audit

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DATE: November 15, 2016

TO: School Board of Pasco County

FROM: Mary Tillman CPA CIA, Director of Internal Audit

RE: Seven Springs Elementary Internal Accounts Audit 2014-15 Part 2-Central Region

INTERNAL AUDITOR'S REPORT ON COMPLIANCE

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 above referenced Pasco County School for the fiscal year ended June 30, 2015.

This audit was conducted to determine compliance with certain District policies and procedures.

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

- 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.
- Payroll – Time and Attendance
 - 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.
- 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.

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

SEVEN SPRINGS ELEMENTARY

- **Fundraising Revenues & Expenditures**
 - A Report of Monies Collected Form (MCF) rather than a Report of General Sales should have been used to record the collections for the Astro Skate fundraiser in order to have a record of the students that paid.
 - The stated purpose of the Astro Skate fundraiser was to purchase classroom resources and supplies for the five primary teams. The five primary teams received \$196, \$128, \$160, \$190, and \$132. The proceeds from the 12/4/14 skating party were \$560, \$400 of which were shared with the Administration. The \$400 share was deposited in the Principal's General Fundraising account. At the end of the fiscal year, the \$400 deposit was transferred to the Principal's General account and then to the Principal's Fund C account to cover a negative balance. It appears that the majority of the expenditures in the Principal's Fund C account were food purchases for the staff. This expenditure did not support the stated purpose of the fundraiser. Our recommendation is that the Administration should use \$400 from the current Principal's account to purchase classroom resources and supplies for the primary teams in order to show that the funds were used in a manner that supports the stated purpose of the fundraiser.
- **Time and Attendance**
 - One (1) part-time Business Cooperative Education (BCE) student did not initial the hours worked on the timesheet for payroll run #511.
 - One (1) teacher did not sign in or out on 4/2/2015. The payroll run # was 522.
 - One (1) part-time Custodian was paid four (4) hours of over-time in error on 4/3/2015. The employee was notified of the error and the Payroll Department made the correction. The payroll run # was 522.
 - The Plant Manager entered sick leave of three (3) hours on his timesheet for 4/7/2015 (payroll run 522) but no leave time was submitted to payroll. Per the Bookkeeper, the employee worked his shift. The time entered on the timesheet did not match the time submitted to payroll because the employee did not correct his timesheet and initial the correction before the payroll was submitted.
 - One (1) teacher signed in and out on 10/27/2014 (payroll run 511) for 7.50 hours but took a half-day of sick time which was submitted to payroll. The time entered on the timesheet did not match the time submitted to payroll because the employee did not correct the timesheet and initial the correction before the payroll was submitted.
- **Fixed Assets**
 - One item selected for testing was a \$948 55" HD TV located in the Media Center. The 55" HD TV was not on the Asset Report and it did not have a tag # assigned.
- **Support Organizations**
 - No Support Organization Agreement for the PTA for the fiscal year (FY) 2016.
 - No end-of-year (EOY) audit from the PTA for fiscal year (FY) 2015.
 - The PTA's 501(C)3 status with the Internal Revenue Service was revoked in November 15, 2012. Any donations received by PTA since the revocation will not be tax deductible.
 - The Financial Recap for the Charleston Wrap and the Cookie Dough fundraisers were not provided.
 - The PTA's 3rd and 4th Quarterly Reports from fiscal year (FY) 2015 were not provided. Many emails were sent by the bookkeeper and Principal to the PTA President requesting them. No Quarterly Statements prepared for fiscal year (FY) 2016, but the bank statements were available.
 - PTA By-Laws not available.

- Supporting documentation for some checks from Quarters 1 and 2 in fiscal year (FY) 2015 are missing.
- Sales tax exemption certificate shows that the sales tax number expired on 3/31/2014.
- Following the protocol required by the District PTA Council, a SAC meeting was held on 9/30/2015 to vote on the disposition of the \$5,919.10 in the PTA's bank account as part of their dissolution plan. The ex-PTA Treasurer attended the meeting. Per the minutes from this meeting, the majority vote was to dissolve the PTA and deposit the funds in an internal PTO account. However, the PTA wrote four (4) checks to the school amounting to \$5,500 on 10/30/2015. \$4,000 were deposited in the PTO account, \$750 in the Principal's account, and the other \$750 in a Special Activity account for the 5th Grade end-of-year field trip. The PTA kept \$420.58 in the account to cover any taxes and/or fees to be paid as a result of the IRS's revocation of its federal tax exemption in March 2013. The PTA funds were not deposited in the manner agreed to by vote per the minutes of the 9/30/15 SAC meeting. We recommend that the \$750 in the Principal's account and the \$750 in the Special Activity account be transferred to the PTO account as voted on.

Principal's Response: *Thank you for coordinating the recent audit and providing me with specific findings. Listed are the responses and/or corrective measures: Non-Athletic - Fundraising Revenue and Expenses: The results were discussed and the recommendations followed. Payroll – Time and Attendance: The bookkeeper makes every effort to ensure that the staff complies with District policies and procedures. The procedures were reviewed and concerns noted. Fixed Assets: The implementation of the new Prism database addresses the comments noted related to the comments regarding the tagging of assets. Support Organizations: The comment noted for support organizations have been documented and addressed with the dissolving of the PTA organization. Extensive documentation was maintained by the bookkeeper and the Superintendent's staff consulted with regard to the resolution.*

Vicki Wolin, Principal

Seven Springs Elementary School

