




Agenda Item Details

Meeting	Feb 20, 2024 - REGULAR MEETING AGENDA (5:30 PM)
Category	44. Internal Auditing
Subject	B. School Internal Accounts Audit Reports
Access	Public
Type	Action, Reports
Fiscal Impact	No
Budgeted	No
Recommended Action	Acceptance of the school internal accounts audit reports.


Public Content

Each year, we audit the internal accounts of the schools. As part of this process, a sample of schools receive audits with full procedures (financial and compliance), with the remaining schools receiving audits with limited procedures. Audits receiving full procedures are presented to the Board individually. Audits receiving limited procedures are included in the District-wide report. All audited schools are then combined into a District-wide audit report on schools internal accounts. These reports have been presented to and accepted by the Audit Committee, a standing committee of the Board. The reports are being presented to the Board for their review and entry into the minutes.

 [School Internal Accounts Audits - Elementary.pdf \(10,725 KB\)](#)

 [School Internal Accounts Audits - Middle.pdf \(1,359 KB\)](#)

 [School Internal Accounts Audits - High.pdf \(2,112 KB\)](#)

 [School Internal Accounts Audits - Centers.pdf \(1,749 KB\)](#)

Workflow

Workflow Feb 7, 2024 3:36 PM :: Submitted by David Bryant. Routed to David Bryant for approval.
Feb 7, 2024 3:36 PM :: Final approval by David Bryant

Motion & Voting

Acceptance of the school internal accounts audit reports.

Motion by Paul Fetsko, second by Bill Slayton.

Final Resolution: Motion Carries

Yes: Kevin Adams, Paul Fetsko, David Williams, Patty Hightower, Bill Slayton

Last Modified by Holley DeWees on February 20, 2024



Escambia County
PUBLIC SCHOOLS

Montclair Elementary School
*Audit of School Internal Accounts
For the year ended June 30, 2023*

Office of Internal Auditing
October 2023

David J. Bryant, CPA, CIA, CFE, CGFM, CRMA
Director – Internal Auditing

Audit Team:
Jeanne Pilgrim
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Preface

The Office of Internal Auditing serves to improve the fiscal accountability and enhance the public's perception of the management and operations of the Escambia County School District. This engagement strives to meet those objectives.

Audits, reviews, and other engagements are determined through a District-wide risk assessment process, and are incorporated into the annual work plan of the Office of Internal Auditing, as approved by the Audit Committee. Other assignments are also undertaken at the request of District management.

This engagement was conducted with the full cooperation of Montclair Elementary School staff and other District personnel.

Any recommendations included in this engagement are designed to improve operations and serve as the basis for informed discussions related to policies and procedures.

This engagement was conducted in accordance with the International Standards for Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors.

We thank the principals, assistant principals, bookkeepers, secretaries, and various support personnel throughout the District for their cooperation and commitment.

Executive Summary

Montclair received a full audit for the 2022-2023 fiscal year.

Our office audits the internal accounts of the District’s schools annually. The authority to conduct these audits is granted by the School Board of Escambia County in the Charter for the Office of Internal Auditing.

These audits are conducted on a rotating basis with a sample of schools receiving “full” audits each year, and the other schools receiving “limited” audits. For each full audit, extensive testing procedures are applied to internal funds accounts. Limited audits include cash procedures and reconciliation to independent bank confirmations. For the 2022-2023 fiscal year, Montclair Elementary School (Montclair) received a full audit. This report documents the results of the audit.

The purpose of our audit was to determine whether the financial information reported in the internal accounts reconciles with bank statements and corresponding independent bank confirmations, and to determine compliance of transactions included in those same internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. We also sought to determine whether any instances of non-compliance were severe enough to render the financial information reported by the school unreliable. We believe our audit provides a reasonable basis for our opinion, findings, and recommendations.

One adjusting journal entry was recommended.

Our audit procedures indicated a matter that required adjustment of the school’s records. One journal entry was necessary to correct the deficit balance of the F6246, Positive Behavior account.

- To transfer the remaining balance of the Reimbursable by Foundation account to the Positive Behavior account.

This journal entry was processed by the bookkeeper in the following school year.

Minor instances of non-compliance are documented in the audit field notes.

We noted some minor instances of violation of Board Policies and Florida Statutes. These matters were documented and provided to the principal and bookkeeper.

Our testing resulted in 12 audit findings.

- Our testing resulted in 12 audit findings:
- Bank accounts not reconciled in a timely manner.
 - Purchases were made without prior written approval.
 - Credit card purchases exceeded approved amount and lacked supporting documentation.

The school's overall fund balance as of June 30, 2023 was \$1,870.94

The majority of transactions included in the school's internal accounts were processed in accordance with applicable policies and procedures.

- Credit card statements were not signed by the principal, reconciliations were out of balance or not completed in a timely manner.
- There was no evidence of receipt of goods verification on items shipped to the school.
- Credit Card log was not properly used.
- Gift cards were not properly handled.
- Monies Collected Forms (MCFs) were not properly completed.
- Deposits were not properly handled.
- Deposits were not made in a timely manner.
- Fundraiser Request/Reconciliation Forms were not properly completed.
- Monthly Log Report was not used properly.

The overall fund balance reported by the school at June 30, 2023 was \$1,870.94. We have determined that the financial information reported by the school reconciles with bank statements and independent bank confirmations.

In our opinion, the majority of transactions included in the school's internal accounts were processed in accordance with all applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board.

We have also determined that the instances of non-compliance noted above and elsewhere in this report do not have a material effect and are not severe enough to render the financial information unreliable.

This report contains recommendations. The Executive Summary is intended to highlight the various aspects of the report. The full report should be read to understand the basis of our recommendations. We will follow-up on these recommendations approximately 90 days after the school's exit conference.

Background

Each year, our office audits the District's schools' internal accounts. The authority to conduct these audits is granted by the School Board of Escambia County in the Charter for the Office of Internal Auditing.

School internal funds are defined in the Internal Funds Policy Manual (the Manual) as "all monies collected and disbursed by school personnel within a school, for the benefit of the school, or a school sponsored activity." As further explained in the Manual, "School internal funds shall be used to supplement activities approved by the school board

Outside support organizations are not included in this report and are not audited by our office.

when the District budgetary funds are not available or have been exhausted.” More plainly, internal funds include everything from money found on campus to collections from ticket sales for athletic events.

Each year, District schools receive either a “full” audit (including all procedures listed in the Methodology section below), or a “limited” audit, where only certain procedures are performed (such as obtaining third-party confirmation for all cash and investment accounts and reconciliation of bank statements and confirmations). For the 2022-2023 fiscal year, Montclair received a full audit.

Outside support organizations (school booster clubs and parent teacher associations) affiliated with this school that operate independent of a school’s internal accounts **are not included** in this report and **are not audited** by the Office of Internal Auditing.

The principal resigned at year-end and was replaced in the next school year.

Montclair last received a full audit in the 2021-2022 fiscal year. There were two matters that rose to the level of audit findings. There were findings related to the proper recording of receipts and proper completion of deposit slips, which were determined to be addressed adequately during a subsequent follow-up audit.

The school has had the same principal in place since the previous audit in 2021-2022. The principal resigned at year-end and was replaced in the next school year.

The bookkeeper was placed in the position as a temporary from 08/2022 until 08/2023 after which she was hired permanently.

The school’s previous bookkeeper took a leave of absence in August, 2022 and later resigned on March 7, 2023. The current bookkeeper filled the position temporarily from August 2022 until August 2023 after which she was placed in the position permanently.

Objective

The purpose of our audit was to determine whether the financial information contained in the internal accounts reconciles with bank statements and corresponding independent bank confirmations, and to determine compliance of transactions included in those same internal accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. We also sought to determine whether any instances of non-compliance were severe enough to render the financial information unreliable.

We believe our audit provides a reasonable basis for our opinion, findings, and recommendations.

Scope

Florida Statute 1011.07 states that the School Board is responsible for the administration and control of school's internal accounts. The Redbook requires school boards to provide for an annual audit of those accounts. Pursuant to this rule, we have audited the financial transactions of the internal accounts of the District's schools as of and for the fiscal year ended June 30, 2023. These accounts are the responsibility of the individual principals at each school. Oversight of these accounts and the annual financial statements are the responsibility of District management.

Methodology

The audit consists of three phases: planning, fieldwork, and reporting.

No known conflicts of interest were identified.

Control risk for Montclair has been assessed at moderate.

Based on a rotating audit schedule, each year District schools receive either a "full" audit (including extensive testing of transactions), or a "limited" audit, where only certain procedures are performed (such as obtaining third-party confirmation for all cash and investment accounts and reconciliation of bank statements and confirmations). For the year ended June 30, 2023, 28 schools were selected for "full" audits.

Each individual school audit consists of three phases: planning, fieldwork, and reporting.

The planning phase includes steps taken by the auditor to familiarize himself or herself with the school, and to determine their approach to the audit. An independence statement is completed for each school. This statement contains the signature of each auditor certifying that there are no conflicts of interest and that they are free from bias. **No known conflicts were identified.** Based on our experience with the school, control risk is assessed at moderate. Therefore, our audit procedures are limited to those in the audit program. If control risk is assessed at a level higher than moderate, additional procedures may be performed.

The fieldwork phase involves the application of testing procedures to the financial records of the school. While performing our testing, a percentage of transactions is allowed to contain compliance violations before it is determined to be an audit finding. For our purposes, an audit finding is a recurring issue that is present in greater than or equal

For our purposes, exceptions of greater than or equal to 20% of the total population may exist before an audit finding is issued.

to 20% of the sample. In addition, due to seriousness or materiality, a single compliance violation could also result in an audit finding. Upon the completion of fieldwork, exit conferences to discuss the results of the audit are conducted with principals and secretaries/bookkeepers, if necessary.

Finally, the reporting phase consists of communicating the results of the audit to the relevant parties in an easily readable and understandable format. Each phase consists of specific steps taken to ensure an audit is done in accordance with professional standards and currently accepted practices. Financial information from full audits is combined with information from limited audits and compiled into a District-Wide Report on Internal Accounts.

Detailed Results

Summary of Fund Activity	
Beginning Cash Balance, 7/1/2022	\$ 5,504.15
Total Receipts	12,385.47
Total Disbursements	(1,746.53)
Total Net Journal Entries	(14,272.15)
Ending Cash Balance, 6/30/2023	\$ 1,870.94
Audit Adjustments	-
Ending Fund Balance, 6/30/2023, Per Skyward	\$ 1,870.94
Cash Balance per Confirmation(s)	\$ 1,870.94
Outstanding Deposits	-
Outstanding Checks	-
Other Reconciling Items	-
Ending Fund Balance, 6/30/2023, Per Confirmation(s)	\$ 1,870.94

General Ledger Review

Throughout the year and prior to the school's closing of their records at year end, we may review various reports, transactions, and supporting documentation of the school. The purpose of this review is to recommend adjusting journal entries, reclassifications, or other necessary actions which we feel will result in more accurate reporting and/or compliance with established rules, policies, and procedures. Any recommended entries or actions are traditionally completed prior to the close of the school's records, and are therefore included in the reported June 30 financial information, unless otherwise indicated.

One adjusting journal entry was recommended.

As a result of our fieldwork, one additional adjusting journal entry was recommended:

- To transfer the remaining balance of the Reimbursable by Foundation account to the Positive Behavior account, we recommended a journal entry be processed for \$87.32.

After fieldwork, but prior to the issuance of this report, the school implemented our recommendations to process the journal entry mentioned above.

Minor instances of non-compliance are documented in the audit field notes.

During our fieldwork, we noted minor instances of non-compliance, which are not included in this report. We documented these matters in our audit field notes, which were provided to the bookkeeper and principal.

One finding related to the timeliness of bank reconciliations.

Findings

Bank Reconciliations

Our testing indicated bank reconciliations were not completed prior to the last day of the following month.

The Internal Funds Policy Manual gives specific guidelines for the completion of bank reconciliations. Section IX, G of the Manual states, "Bank statements should be reconciled as soon as received, and absolutely no later than the last day of the following month.

One finding related to lack of prior written approval.

Prior Written Approval

Our testing indicated purchases were made prior to the principal's written approval date, as evidenced on the approval forms for both check requests and credit card purchase requests.

The Internal Funds Policy Manual gives specific guidelines regarding the prior approval of purchases. Section VIII, A.1 of the Manual states, "All disbursements require **prior written** approval of the Principal or his/her designated representative. 'Prior written approval' may consist of a properly completed Purchase Requisition/Request for Purchase Oder. This must be done **BEFORE** the item is ordered and funds are obligated." In the case of credit card purchases, the Request Purchase Utilizing Purchasing Card approval form should be used.

See our recommendation in the Recommendations section below.

One finding related to purchases exceeding approval amount and lack of supporting documents.

Request Purchase Utilizing Purchasing Card forms – Amount Exceeded and Supporting Documentation

Our testing indicated a purchase using the Request Purchase Utilizing Purchasing Card form exceeded the approved amount and other purchases lacked support documentation.

One finding related to improper handling of credit card statements.

The Internal Funds Policy Manual gives specific guidelines concerning the prior approval of purchases. Section VIII, A of the Manual states, "All disbursements required prior written approval of the principal or his/her designated representative. 'Prior written approval' may consist of a properly completed Purchase Requisition/Request for Purchase Order, or a properly prepared Internal Funds Purchase Order. This must be done BEFORE the item is ordered and funds are obligated."

The Internal Funds Policy Manual provides specific guidelines regarding disbursements from internal funds. Section VIII, D of the Manual states, "All internal fund expenditures must be supported by documentation including a detailed description of the items purchased such as vendor invoices, cash register receipts, or other receipts. A statement alone does not constitute adequate support for a payment.

See our recommendation in the Recommendations section below.

Regions Credit Card Statements

Our testing indicated that credit card statements were not completed properly. The issues present included: principal failed to include signature, reconciliations were out of balance or incomplete, and statement and/or reconciliation were not uploaded to Skyward.

The Internal Funds Policy Manual gives specific guidelines regarding Regions Credit Card Statements. Section VIII, F.2, (e) Once your Regions Credit Card State has been reconciled against the Account Ledger report and all transactions are accounted for, you must have it signed and approved by your Principal, then record the payment by journal entry in the accounting system. Section VIII,F.3 Record Payment in Skyward Software as a Journal Entry: This entry should be made by the 15th of each month using the postdate showing on the credit card statement.

One finding related to lack of evidence of receipt of goods.

Evidence of Receipt of Goods

Our testing indicated invoices/packing slips used as supporting documentation for expenditures did not include evidence indicating receipt of goods. This evidence would include a signature and initials indicating verification of the quantity of the items ordered, and a date indicating when the goods were received.

The Internal Funds Policy Manual gives specific guidelines regarding documentation for expenditures. Section VIII, D.4, (e) of the Manual states, "When the items purchased are received, the goods should be checked to ensure the items are correct and not damaged. The person receiving the items should initial and date the receiving slip or invoice to document their review and that all items ordered were received."

This is a repeat audit finding from 2018-2019.

One finding related to the documentation of the credit card sign-in/out log.

See our recommendation in the Recommendations section below

Credit Card Sign-in/out Log

Our testing indicated the documentation of the signing-in/out of credit cards (purchase cards) was not properly completed.

The Internal Funds Policy Manual gives specific guidelines for the documentation of signing-in/out credit cards (purchase cards). Section VIII, E.2(d) of the Manual states, "Cardholders cannot check out the credit card until all approvals have been given in writing. Once all paperwork has been approved and signed then the cardholder can sign out the P-Card from the Card Manager." Section VIII, E.2(i) states, "Purchase Cards must be locked up by the card manager. When a purchasing request has been approved, the card will be signed out to the cardholder and must be signed back in within 2 days after the purchase date, unless prior approval has been given by the Principal to keep the card for an extended period of time due to a particular purpose. An example would be a P-Card is needed for out of county travel or in county travel that extends past the school hours of Friday and into the weekend or until Cardholder returns from the trip. **(The card should not be checked out for the entire school year, but rather for each purchase.)**"

See our recommendation in the Recommendations section below.

Gift Cards – Properly Handled

Our testing indicated gift cards were not properly handled.

The Internal Funds Policy Manual gives specific guidelines to be followed for the handling of gift cards. Section IV, M.2 states, "Gift cards can Not be purchased: a) With a P-card, b) As a holiday or other gift for employees, students, etc. EXCEPTION: Faculty funds may be used to purchase gift cards..." Section IV, M.1 states, "Gift cards may be purchased for student incentives or from the faculty funds. Gift cards must have a face value of \$50.00 or less. A face value greater than \$50.00 must have prior approval from the Internal Funds Department."

See our recommendation in the Recommendations section below.

Monies Collected Forms – Proper Completion

Our testing indicated Monies Collected forms were not properly completed.

The Internal Funds Policy Manual gives specific guidelines to be followed for the receipt of monies. These guidelines mention specific procedures to be followed concerning indication of whether the monies were remitted in cash or check, requirements of the teacher or

One finding related to the improper handling of gift cards.

One finding related to improper completion of MCFs.

One finding related to improper handling of deposits.

sponsor to sign the monies collected form, and verification by the bookkeeper of the monies collected and the counter signature on the forms.

See our recommendation in the Recommendations section below.

Deposits – Properly Handled

Our testing indicated deposits did not include a separate deposit slip for each full day’s collections.

The Internal Funds Policy Manual provides specific guidelines regarding deposits. Section VI, C of the Manual states, “...Total the actual amount of cash and checks on hand. Print the Bank Deposit Journal...The total of cash, checks and money orders on hand and the total on the Bank Deposit Journal (*reports total per day*) should match. Prepare a bank deposit slip in duplicate.”

Section VI, C.3 of the Manual states, “The cash receipt, generated from the internal funds’ software, post-date should be the bookkeeper’s date listed at the bottom of the MCF, where he/she signs.” Keep in mind Skyward is date driven and there should be a separate deposit slip for each unique date. Meaning, everyday should have its own deposit slip regardless if you go to the bank or not. Most schools will run a deposit journal report at the end of the day; this report should equal the total on your deposit slip for the end of that day.”

This is a repeat finding from 2018-2019.

See our recommendation in the Recommendations section below.

One finding related to the timeliness of deposits.

Timeliness of Deposits

Our testing indicated deposits were not made within five working days after receipt of funds.

Chapter 8, Section III, 1.4(c) of the State Board of Education Rules states, “All money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. IN ANY EVENT, FUNDS COLLECTED MUST BE DEPOSITED WITHIN FIVE (5) WORKING DAYS AFTER RECEIPT.”

The Internal Funds Policy Manual, Section VI, C.1 states, “Funds collected shall be deposited as frequently as feasible, preferably daily. In any event, funds collected must be deposited within five (5) working days after receipt. Under no circumstances shall funds be left on the school premises except in a secure safe or vault. Any District employee who fails to remit funds each day shall be liable for any loss.”

This is a repeat finding from 2018-2019.

One finding related to improper completion of the FRR forms.

See our recommendation in the Recommendations section below.

Fundraiser Request/Reconciliation Forms – Proper Completion

Our testing indicated Fundraiser Request/Reconciliation (FRR) forms were not properly completed.

Chapter 8 Section III, 4.4 of the State Board of Education Rules states all fundraisers shall be planned to finance a specific objective and have the approval of the organization sponsor and the principal. In addition, the principal shall maintain control over the activity. The requirements of the rule are met through the proper completion of the Fundraising Request/Reconciliation Form.

The Fundraising Guidelines Handbook approved by the School Board explains the use of the Fundraising Request/Reconciliation Form. The Handbook states, "Completing Section I of this form will document the authorization of the fundraiser...At the conclusion of your fundraiser, complete Section II of the Fundraising Request/Reconciliation Form...Review school internal funds reports to verify accuracy of postings to your account...Evaluate the success of your fundraising activity."

This is a repeat finding from 2018-2019.

See our recommendation in the Recommendations section below.

One finding related to the improper completion of the Monthly Log Report.

Monthly Log Report – Proper Completion

Our testing indicated the Monthly Log Report was not properly completed and maintained.

The Internal Funds Policy Manual provides specific guidelines to be followed for the receipt of monies. As an internal control, at the end of each month, the secretary/bookkeeper is to provide a general ledger of each account to the account sponsors. These reports give the opportunity for those remitting monies to review their accounts on a timely basis for any discrepancies or posting errors. As evidence of this procedure, the account sponsor is to initial a Monthly Log Report.

See our recommendation in the Recommendations section below.

Other Comments

Bookkeeper Backup

There is no back-up for the bookkeeping duties.

The bookkeeper indicated there is not a person assigned to be a backup for the bookkeeping duties.

School financial records were disorganized.

Organization of Financial Records & Requisite Expertise

Our testing indicated an overall lack of organization of the school's records, as well as what appears to be a lack of understanding of basic accounting concepts.

Bookkeeper demonstrated lack of basic accounting concepts.

The lack of organization led to several issues, the most severe of which was the inability to locate MCFs for checks received in the mail and supporting documentation for credit card purchases. In addition, numerous transactions were processed in error or backwards indicating a lack of understanding of basic accounting concepts.

Training was provided on multiple occasions.

The previous principal recognized the bookkeeper's need for additional training and requested such training. District staff conducted multiple one-on-one trainings, with the principal in attendance for some of these training sessions. The bookkeeper was hired into the position as a temporary bookkeeper as the previous bookkeeper had taken a leave of absence beginning August 2022 and subsequently retired in March 2023. The temporary bookkeeper was promoted into the position as the permanent bookkeeper in August 2023. The bookkeeper is continuing to participate in trainings offered by District staff.

See our recommendation in the Recommendations section below.

Opinion

The majority of the school's transactions were processed in accordance with all applicable policies and procedures

Our responsibility is to express an opinion on the compliance of the transactions included in the accounts with the governing provisions of Florida Statutes, State Board of Education rules, and policies and procedures of the School Board, and to determine if the schools' financial records reconcile with corresponding bank statements and independent bank confirmations. During our evaluation, we also assessed the adequacy and effectiveness of the schools' system of internal controls.

The financial information reconciled with bank statements and independent confirmations.

In our opinion, the majority of transactions included in the schools' internal accounts where a full audit was performed were generally consistent with applicable Florida Statutes, State Board of Education rules, and policies and procedures of the School Board. In addition, we determined the schools' financial records reconcile with bank statements and independent bank confirmations.

We determined the internal controls established by the District appear comprehensive, adequate, and effective. During our audit, we did become aware of matters that present opportunities for strengthening internal controls, increasing operating efficiencies, and/or assuring

compliance with applicable laws, rules, regulations, policies and/or procedures. These matters are communicated in the Detailed Results section.

We have also determined that the instances of non-compliance noted above and elsewhere in this report do not have a material effect and are not severe enough to render the financial information unreliable.

Recommendations

Review policies and procedures related to the timeliness of bank reconciliations. Select a specific date of the month for completion.

Review and instruct staff on policies and procedures related to prior written approval for expenditures.

Review and instruct staff on policies and procedures related to allowed amount for purchases and the need for supporting documentation.

Review procedures related to Regions credit card statements.

Review and instruct staff on policies and procedures related to evidence required to indicate receipt of goods.

Bank Reconciliations

In an effort to address the timeliness of bank reconciliations, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual on the proper completion of bank reconciliations. In addition, we recommend the principal select a specific day of the month for the bookkeeper to complete the bank reconciliation.**

Prior Written Approval

In an effort to address purchases made prior to receiving written approval from the principal/designee, **we recommend the principal and the bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedures of obtaining prior written approval for expenditures.**

Purchasing Card Approved Amount Exceeded and Supporting Documentation

In an effort to address the policies regarding the use of the purchasing card and the need for supporting documentation, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct school staff on the proper procedures related to credit card purchases, including amount requested and supporting documentation.**

Regions Credit Card Statements

In an effort to ensure that proper procedures are followed regarding the handling of the Regions credit card statements, **we recommend the principal and bookkeeper review the instructions distributed by the District for proper procedures related to Regions credit card statements.**

Receipt of Goods

In an effort to address the lack of proper evidence for receipt of goods, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedure of documenting receipt of goods.**

Review and instruct staff on the policies and procedures related to the documentation of the credit card sign-in/out log.

Review and instruct staff on the policies and procedures related to the Gift Card Log.

Review and instruct staff on policies and procedures related to proper completion of MCFs.

Review policies and procedures related to the handling of deposits.

Implement a check and balance for collections and deposits.

Review and instruct staff on policies and procedures related to the timeliness of deposits.

Review and instruct staff on policies and procedures related to fundraising activities.

Review and instruct staff on policies and procedures related to the Monthly Log Report and train staff on proper review of accounts.

Credit Card Sign-in/out Log

In an effort to address the documentation of credit cards being signed-in/out, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedures related to the use of the credit cards.**

Gift Card Log

In an effort to address the lack of utilizing a Gift Card Log, **we recommend the principal and the bookkeeper review the Internal Funds Policy Manual's rules regarding the utilization and maintenance of a Gift Card Log.**

Monies Collected Forms

In an effort to address the improper completion MCFs, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper completion of MCFs.**

Handling of Deposits

In an effort to address the improper handling of deposits, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual on the proper procedures related to the proper handling of deposits.**

We also recommend the bookkeeper ensure that the total of the deposit slips(s) agrees with the total of same-day collections and the total of the Bank Deposit Journal for each day. This should be the case whether deposits are made daily or are held for a few days; there should be a separate deposit slip for each day's collections.

Timeliness of Deposits

In an effort to address the timeliness of deposits, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedures related to deposits.**

Fundraising Request/Reconciliation Forms

In an effort to address the improper completion or lack of Fundraising Request/Reconciliation forms, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the policies and procedures associated with fundraising activities.**

Monthly Log Report

In an effort to address the improper completion of the Monthly Log Report, **we recommend the principal and bookkeeper review the Internal Funds Policy Manual and instruct staff on the proper procedures related to the Monthly Log Report.**

OTHER

Develop an action plan in the event the bookkeeper is absent for an extended period of time.

Safekeeping of Collections

Collections received during an extended absence by the bookkeeper were placed in safekeeping without her knowledge. These collections were located during a surprise cash count. While this situation appears to be an isolated incident, **we recommend the principal and bookkeeper develop an action plan should the bookkeeper be absent for an extended period of time. The plan should include a back-up person to perform essential duties (as required by District), a designated and secure area for storage of undeposited funds, and prompt notification to the bookkeeper upon her return of any undeposited funds or other important matters.**

Develop an action plan to ensure staff possesses necessary skills.

Organization of Records & Requisite Expertise

In an effort to address the lack of organization of the school's records and what appears to be a lack of basic accounting skills, **we recommend the principal meet with the bookkeeper to determine the cause of the disorganization and discuss what appears to be a weakness in the bookkeeper's skills. The principal should then consider contacting the Accounting Operations Internal Funds department to determine what resources are available to the bookkeeper to develop the necessary skills to be successful. An action plan should be developed, monitored, and evaluated.**

We will follow-up on these recommendations approximately 90 days after the school's exit conference.

Management Response



Montclair Elementary School

820 Massachusetts Avenue

Pensacola, Florida 32505

Phone: (850) 595-6969 Fax: (850) 595-6969

Elizabeth Greenberg, Principal Nichaka Tribbey, Assistant Principal

Shenika Johnson, Curriculum Coordinator

November 30, 2023

To Mr. Bryant, Director of Internal Auditing

RE: Audit of Internal Accounts: Montclair Elementary

As the newly appointed Principal of Montclair Elementary for the 23-24 school year, I find the twelve audit findings for 2022-23 internal accounts at Montclair to be unacceptable. With checks and balances in place, and review of Internal Funds Policy Manual, and staff training my team and I are committed to making improvements this school year, and have already implemented strategies and a plan to strengthen our systems and adhere to District and State Policies.

Finding one states that bank accounts were not reconciled in a timely manner. To correct this, my bookkeeper, Ms. Spencer and I have reviewed together the Internal Funds Policy Manual and have already scheduled meetings for the third week of every month to review bank statements together and put together the bank reconciliation paperwork including signatures.

Finding two and three states that purchases were made without prior written approval and that credit card purchases exceeded the approved amount and lacked supporting documentation. We have already made corrections to both of these errors by reviewing together the Internal Funds Policy Manual and establishing a system for ordering. The prior written approval sheet should only come from me to the bookkeeper with signatures and documented quotes. Ms. Spencer understands that she is not authorized to make any purchases without these forms completely filled out or if any other personnel hands them to her. Staff bring the forms to me, I ensure we have funding in the budget, I fill out the coding and signatures and then I give them to Ms. Spencer for ordering.

Finding four states that credit card statements were not signed by the Principal, reconciliations were out of balance or not completed in a timely manner. The above mentioned corrections will improve the system to ensure this is not an audit finding again. Additionally, our monthly meetings to review bank and credit card statements will ensure we are reconciling in a timely manner and that they are in balance.

Finding five states that there was no evidence of receipt of goods verification of items shipped to the school. During our training at the start of the year and through review of the Internal Funds Policy Manual we reviewed our way of work for this year. Our process this year has our bookkeeper, Ms. Spencer or myself, reviewing the boxes and shipping statements, counting items for inventory before disseminating out to rooms and making sure that all items ordered have been accounted for and marking on the receipts. We check the items off and add signatures and dates. Those packing slips and invoices are turned in to attach for documentation. Front office staff have all been trained.

Finding six indicates that the credit card log was not properly used. We have trained Ms. Spencer using the Internal Funds Policy Manual and she is now aware that any time the card is used by myself or her (only two of us are authorized to use it), it should be logged in and out of its locked place-not just when leaving campus. The Principal will check the log each month to ensure this is taking place.



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Shenika Johnson, Curriculum Coordinator

Finding seven states that the gift card log was not properly used for gift cards. I reviewed with Ms. Spencer the Internal Funds Policy Manual and made sure she understood the rules regarding the utilization and maintenance of a Gift Card Log. All gift cards (donated or purchased) need to be logged in and as they are passed out, they need to be signed out and accounted for. The documentation is saved that includes dates in and out, who they go to and the reason.

Finding eight states that Monies Collected Forms were not properly completed. To correct this we will follow guidelines of the Internal Funds Policy Handbook, and we will have a meeting with all staff to teach them how to fill this form out correctly and in its entirety. Also, we will make sure they know that they need to save all Monies Collected Forms to turn in at the end of the year. These forms are necessary documentation. This will be an added item on our End of the Year check off sheet before staff leave for the summer.

Finding nine and ten indicate that deposits were not made correctly or in a timely manner. In our exit interview-Ms. Kiker reviewed this process from the Internal Funds Policy Manual and trained Ms. Spencer. The Principal will review with Ms. Spencer during their monthly meetings. Deposits will be made daily when money is being collected for a specific event, and the forms will be reviewed for correctness upon her return to school. All documentation will be saved and kept organized.

Finding eleven states that the fundraiser request/reconciliation form was not properly completed. I have reviewed the Internal Funds Policy Manual with bookkeeper and Ms. Spencer understands that any fundraiser must be approved by me before money is collected and the bottom part of the form must be completed after the fundraiser is complete. We will train sponsors on how to fill out the form (along with Monies Collected Form and process for collecting money) as part of the fundraiser approval process.

Finding twelve indicated the monthly log was not used properly. Ms. Spencer and I have reviewed the Internal Funds Policy Manual, and have already met with staff that it pertains to to make sure they understand what they are initialing each month, and what accounts they are responsible for as sponsors.

In closing, I will work with my Bookkeeper, Ms. Spencer and administration team to strengthen our understanding of the Internal Funds Policy Manual and procedures to ensure we do not have audit findings in the future.

Sincerely,

Elizabeth Greenberg

Principal, Montclair Elementary

OK
DJG
12/15/23

SC
CF 12/4/23