St. Lucie PUBLIC SCHOOLS

SCHOOL INTERNAL ACCOUNTS TRAINING

Presented by
Yvonne Clayborne, Partner

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Today’s Presentation

- Review various phases of this year’s audit
- Review common audit findings noted
- Preparing for next year’s audit
- Opportunity for Q&As and to provide your feedback

Internal Accounts Policies & Procedures

- Florida Dept of Education 2018 "Red Book"
  - Chapter 8
- Internal Accounts / SBAA
  - Principal's Manual for Internal Accounts
  - Checklists
  - Sample forms

http://www.stlucie.k12.fl.us/finance/bookkeeper-secretary-resources

Developing our Audit Program

- FDoE Red Book
- District Policy
- Risk Assessment

Ensuring Compliance

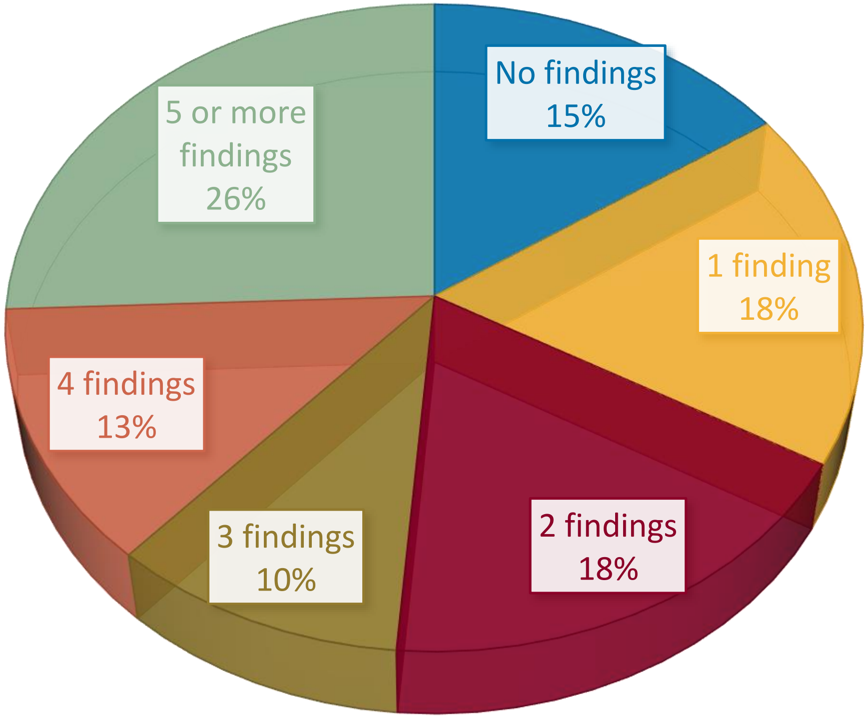
- District Policy
- FDoE Red Book
- Special Circumstances

Audit Sampling

- Sampling - selection of less than 100% of the population for testing
- Sampling is used when it is not practical to test all items
- Evaluating exceptions noted during testing
  - Obtain understanding of nature and cause of exception
  - Due to number of samples at each school, each exception is noted on report to District

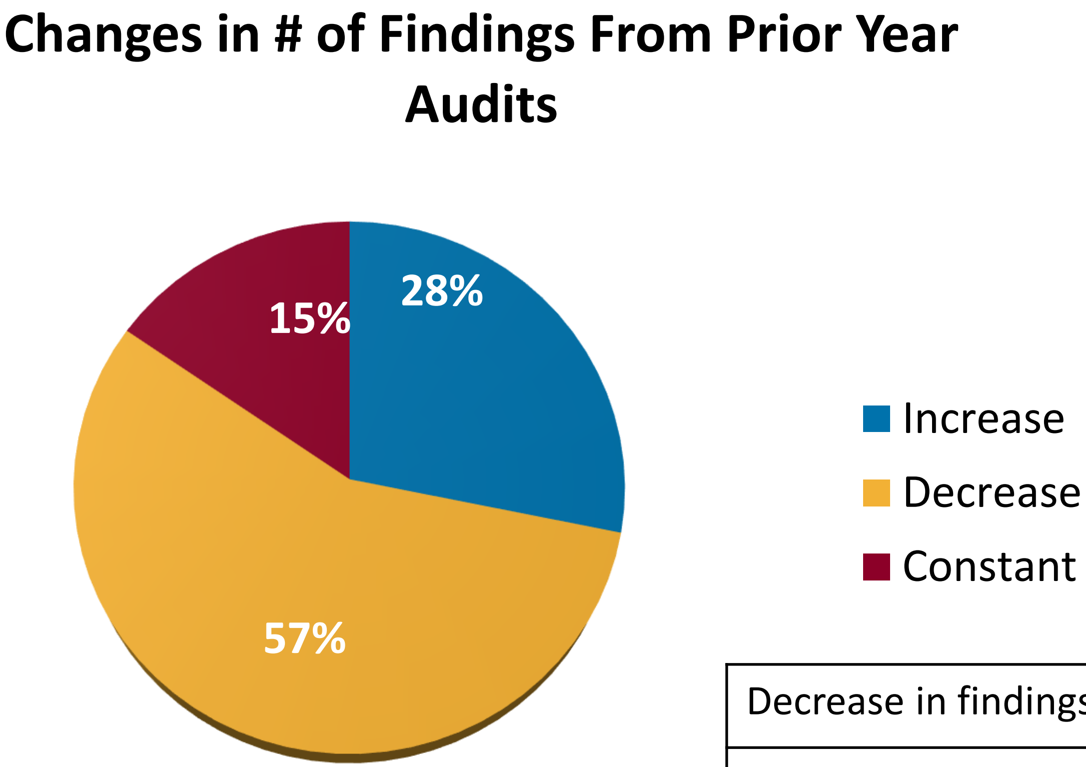
Breakdown of Audit Findings – 2019 Audits

PERCENTAGE OF SCHOOLS BY NUMBER OF FINDINGS



NUMBER OF FINDINGS	NUMBER OF SCHOOLS	%
None	6	15%
1	7	18%
2	7	18%
3	4	10%
4	5	13%
5 or more	10	26%
Total	39	100%

Changes in Findings



Decrease in findings	22 schools
Constant number of findings	6 schools
Increase in findings	11 schools

Average Findings per School Type

	2019 Audits	2018 Audits
Elementary Schools	1.76	3.06
Middle & K-8 Schools	3.00	4.33
High Schools	6.17	4.00
Other (Special Centers)	2.50	5.67

Common Audit Findings – Top 5

- Ticket sales report not completed and/or no ticket inventory log (21 occurrences)
- Incomplete or missing student receipts or other documentation to support monies collected form (17 occurrences)
- Check requests completed/approved after goods are purchased (14 occurrences)

Common Audit Findings – Top 5

- Monies collected not turned in to bookkeeper/secretary daily (12 occurrences)
- Fundraiser financial form missing or incomplete (6 occurrences) - TIE
- Monthly reports not approved or not approved timely (6 occurrences) - TIE
- Missing or incomplete support for cash disbursements (6 occurrences) - TIE

Report of Monies Collected Forms

- Use of a MCF is required by the Red Book and by District policy
- Must be completed by the teacher or sponsor
  - Should not be prepared by the bookkeeper/secretary
  - Must be turned in ***no later than the next business day*** after the funds were collected
- Minimum required information
  - Beginning & ending receipt numbers
  - Total cash amount & detail of individual checks

Report of Monies Collected Forms

- Teacher/sponsor must wait for the bookkeeper / secretary to count the monies (verify the MCF) in their presence
  - Lock box alternative allowed by District
- Teachers/sponsors should retain their copy of the MCF – use of a 2-part form is REQUIRED
- Student receipt books should be turned back in to the bookkeeper/secretary to be available for audit
  - Student receipt books must remain intact

Report of Monies Collected Forms

- Class roster or log can be used in lieu of receipts if individual receipts are less than $5.00
  - If you get an exception from the District, get it in writing
- Individual student receipts not needed if MCF is supported by an inventory or ticket sales report
- Other situations
  - Concessions
  - Car washes
  - Book fairs

Check Requests

- SLCSD uses check requests in lieu of purchase order to provide for internal control over purchases
- The check request is required to be approved by the principal before the purchase is made
- Purchases that require obtaining quotes or bids
  - $8,001 to $49,999 requires 3 quotes
  - $50,000 or more requires competitive bid through Purchasing

Other Comments

- Fundraiser financial form (reconciliation)
- Ticket inventory reports & ticket sales
- Donations
  - Receipt of a donation of $250 or more requires contemporaneous written acknowledgment
  - Donated fixed assets must complete a Fixed Asset Acquisition form
- Inventory
  - What is inventory?
  - Requirements for inventory & sales report

Inventory

- **Policy:** All school projects involving purchases of materials or products for resale must account for their inventory at year end.
- Year End Inventory Worksheet with instructions is available on the intranet
  - https://www.stlucie.k12.fl.us/pdf/departments/finance/book/inventory-worksheet-instructions.pdf

Inventory

SCHOOL NAME				
Detail of Purchases for				
Fiscal Year ending June 30, 2019				
Date of Purchase	Item Description	Unit Price	Quantity	Total Value
7/11/2018	BLACK SS	13.79	61	$ 841.19
7/11/2018	GRAY SS	13.79	60	$ 827.40
7/11/2018	GRAY SS 2XL	16.79	1	$ 16.79
7/11/2018	GRAY SS YOUTH	13.79	50	$ 689.50
				$ -
			Total Purchases	$ 2,374.88

CARR, RIGGS & INGRAM, LLC

Inventory

SCHOOL NAME	
Year End Inventory Reconciliation FY 2018-19	
as of June 30, 2019	
$ 598.46	Beginning of the Year Inventory, at cost (as of July 1, 2018)
$ 2,374.88	Add: Total Fiscal Year Purchases-from Tab 1 detail of purchases
$ 2,973.34	Total Amount-- (Items Available for Sale in Inventory)
$ 1,340.63	Less: Total FY 2018-19 cost of items sold (number of items sold multiplied by the purchase price per item)
$ 1,632.71	End of the Year Inventory, at cost (as of June 30, 2019)

CARR, RIGGS & INGRAM, LLC

Inventory

SCHOOL NAME			
Year End Inventory (per physical inventory count)			
as of June 30, 2019			
6/20/2019			
Date of Count		Signature	
		Signature	
item description	purchase price/item	quantity	inventory value
Gray SS AS	13.79	5	68.95
Gray SS AM	13.79	9	124.11
Gray SS AL	13.79	13	179.27
Gray SS AXL	13.79	12	165.48
Gray SS YS	13.79	8	110.32
GRAY YL	13.79	1	13.79
BLUE SS AS	13.01	12	156.12
BLUE SS AM	13.01	16	208.16
BLUE SS AL	13.01	18	234.18
			-
		Total	$ 1,260.38
		End of the Year Inventory, at cost (as of June 30, 2019) from Tab 2	$ 1,632.71
		Difference	$ (372.33)
Explain difference below:			
27 sweatshirts used as incentives / awards for students with perfect attendance			

General Funds

- Chapter 8, Section 2.5 of the Red Book – General funds are to be used for the general welfare of the student body
- Depending on the source of funds, certain General funds can be used for the benefit of faculty & staff

Trust Accounts

- Accounts 86XXX are trust accounts
- Funds collected for a specific, restricted purpose
- Monies deposited into trust accounts must be used for the purpose for which they were collected
- Unused monies go back to the donor (if practicable) or handled in accordance with District policy

Closing Comments

- We acknowledge that many schools were working with new bookkeepers / secretaries.
- If you have a question during the year, contact the District Office or other school bookkeepers/secretaries (depending on the question).
- The auditors cannot make the decision to waive policies. If the District is making an exception, get it in writing & retain for audit.

Closing Comments

- Audits of the Internal Accounts are required by Florida Administrative Code 6A-1.087. These audits are **not** assessments of the bookkeepers’ job performance.
- The principals are ultimately responsible for internal accounts. Principals and bookkeepers working together can help reduce audit findings.

CARR, RIGGS & INGRAM, LLC

Closing Comments

Thank you for your cooperation during this year's audits.

Questions?

TODAY'S PRESENTER

Yvonne Clayborne, Partner
Melbourne, Florida
321-426-3014
yclayborne@CRIcpa.com

Text CRI to 66866 to receive CRI News and Alerts.

CARR, RIGGS & INGRAM, LLC