



Office of Internal Audit

Report to the Superintendent of  
Public Education and the Chief  
Financial Officer

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June, 2015

# **ASSOCIATED STUDENT BODY FUNDS**

Review of Cash Receipts and  
Disbursements at Selected  
Schools

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	Administrative Procedure	AP
	Associated Student Body	ASB
	Board of Education	BOE
	Chief Financial Officer	CFO
	San Diego Unified School District	District
	Elementary School Assistant	ESA
	Financial clerk	FC
	Independent public accountant	IPA
	Office of Internal Audit	OIA
	San Diego Unified School District	SDUSD
	Superintendent of Public Education	Superintendent



30 June 2015

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This report provides a summary of the results of the review of Associated Student Body (ASB) Fund cash receipts and disbursements for the period 1 July through 31 December 2014. The Office of Internal Audit (OIA) self-initiated this review with the purpose of providing the Superintendent of Public Education (Superintendent) and the Chief Financial Officer (CFO) with an advanced notification of the issues that may arise as part of the independent public accountant's (IPA's) audit of the annual financial report.

This review was limited to 24 schools equally divided between elementary, middle, and high schools. We used a judgmental selection methodology for the individual schools selected. Therefore, we cannot project the results of our testing to the universe of San Diego Unified School District (District or SDUSD) schools as a whole. However based on the prior IPA audit reports and OIA's reports, it is our opinion that the findings are representative of the SDUSD's ASB Funds, as a whole.

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## **Background**

The operations of the ASB are governed by State of California statute, the Education Code, regulations of the California Department of Education, the SDUSD Board of Education's (BOE's) policies and the District's Administrative Procedures (APs). The ASB is operated for the sole benefit of students within a school. At middle and high schools, the students are permitted to operate the ASB for their benefit, provided that it operates in accordance with the applicable laws and regulations and BOE policies and the District's APs.

The Superintendent is responsible for the overall operations of the ASB Fund for the District and delegates the responsibility and authority for the proper operation of the individual ASB Fund to the principal or site administrator.<sup>1</sup> The ASB Fund is operated in a manner to and is accounted for as a trust fund. The school's principal, in overseeing the operation of the ASB Fund, assumes the duties of a trustee of a trust fund.

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<sup>1</sup> The terms principal and site administrator for the purpose of this report are synonymous. For the purposes of this report, OIA will use the term principal to refer to both positions.

At the elementary school level, the principal in addition to their trustee status generally is solely responsible for the operation of the ASB Fund. Although he/she may delegate some of those duties to others on the school's staff. At the middle and high schools the students are responsible for the functioning of the ASB Fund. This is done through the school's student council or a separately established ASB board/committee. These functions include determining the disbursement of funds from the ASB. The principal, ASB and club advisors, and the financial clerk act in advisory capacities. As the ASB Fund's trustee, the school's principal does have the final approval authority over the disbursements.

During the period 1 July through 31 December 2014, the ASB Funds in our sample received a total of \$1,668,827 and disbursed \$1,389,786.

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## Results in Brief

In its testing of the ASB Fund receipts and disbursements, OIA found that all of the schools in our sample needed to improve its compliance with the District's APs governing the operations of the ASB and the documentation of the receipt and disbursement of funds.

Table 1 (page 6 of the report) provides a summary of the weaknesses in the system of internal controls and documentation for the receipts at the selected school sites. We identified a total of 50 weaknesses within our sampled schools that impacted 476 transactions. Our receipts tests included 20 areas.

Additionally, we identified 82 weaknesses in the system of internal controls, documentation and compliance with applicable APs in our testing of a sample of disbursements at each school. These weaknesses impacted 559 transactions that we sampled. An additional detail for this data is provided on Table 2 (page 12). The testing of receipts involved 22 specific tests.

Our surprise cash counts at selected schools did not reveal any reportable conditions.

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## Summary of Recommendations

This report is a summary of our testing results and was designed not to contain recommendations to the Superintendent or the CFO.

OIA did provide the results of our testing and recommendations for improvements to the 24 schools included in our sample. All of the schools generally concurred with our findings and recommendations

and provided us with corrective actions. Due to the large volume of findings, recommendations and responses we did not include this data with the report.

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## **Objectives, Scope and Methodology**

The objectives of this review were to determine whether the cash receipts and disbursements of the ASB Funds on a sample basis:

- Included sufficient and relevant documentation to support the receipt of the cash and the disbursement of funds;
- Complied with the applicable SDUSD policies and APs for the receipt and disbursement of funds; and
- Included surprise cash counts of change funds at selected locations.

To satisfy this review's objectives we performed the following:

- Reviewed the relevant APs and other District provided guidance on the legal requirements, controls and operations of the ASB Funds at the individual schools;
- Interviewed selected management and staff at each school to determine the process used by the schools to oversee and safeguard the ASB funds; and
- Selected a sample of cash receipts and disbursements for evaluation using a modified stop/go sampling methodology. All of the sample selections were made using non-statistical sampling practices.

Our review included the ASB receipts and disbursements that were received or disbursed during the period 1 July through 31 December 2014. We expanded the scope of our transaction testing, where necessary, to satisfy the review's objectives.

OIA did not plan and we were not requested to perform an audit of the ASB Funds, individually or as a whole, in accordance with generally accepted government auditing standards, the objective of which is to express an opinion on the ASB financial data.

Accordingly, we do not and will not express such an opinion. Had we performed this review in accordance with generally accepted government auditing standards other items may have come to our attention that we would have reported to you.

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## **Computer Processed Data**

We relied on data maintained by the District's ASB accounting software for this project. Specifically, we relied on the accuracy of data extracted from its database. We did not perform a data reliability assessment and determined that the data were sufficiently reliable for our audit objective. We relied on our prior experience

with the ASB accounting software in other projects and determined that the data was sufficiently reliable for the purposes of this project.

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## Improved Controls, Processing and Documentation of Cash Receipts are Needed

AP 2225, *Administration of Associated Student Body Funds*, provides the administrative procedures and guidance for the operation of the individual school ASB Funds. Section C. 4.b of this AP (AP 2225 § C.4.b) states that the principal is the trustee of the ASB Fund and that he/she is responsible for conducting the ASB Fund financial activities in compliance with this AP. Further this AP states in § C.6.b, “**Management.** *Student body funds shall be managed in accordance with the best business practices, including sound budgetary and accounting procedures.*” (Emphasis provided).

Our testing reviewed both compliance with the District’s policies, APs, and whether adequate internal controls were in place in all of the schools in our sample. Specifically we identified 20 areas in the processing of ASB cash receipts where we identified errors or deficiencies. Table 1 (page 6) provides the 20 areas that we tested and a summary of our results by elementary, middle and high schools. Additionally Tables 1 – a through 1 – c (pages 7 through 9) present the results of our testing at the individual school level.

Our generalized observation of the tests results found in the area of receipts that deposits were not made on a timely basis, in 50 percent (12 of 24 schools) of the schools we sampled. Additionally, 25 percent (6 of 24) of our sampled schools did not maintain documentation to support the source of the deposits and receipts and/or the documentation did not contain the appropriate signatures. Further, at one middle school we found that the cash register was not consistently closed out daily, and at another middle school the staff used the receipts generated through the QuickBooks system instead of the ASB master receipts (EGRY) mandated by the District or the system generated receipts (Blue Bear Software).

We were presented with a variety of responses at the schools for the cause of the late deposits. However, many of the responses centered on the financial clerks (FCs) and elementary school assistants (ESAs) were not aware of the requirement for daily deposits (AP 2245 *ASB Deposits, Authorized Bank* § C.4).

The absence of documentation for cash receipts is an ongoing observation for the ASB Funds. The IPA’s annual audits and OIA’s recent reports have highlighted the absence of documentation for these transactions. AP 2235, *Standard Student Body Receipts*, §§ C.2.e, D.1, and AP 2236, *Student Body Cash Collection; Supplementary Receipts*, § D.2 require that receipts be prepared for all cash (currency, coin, checks and money orders).

OIA found at one middle school the staff did not consistently close out the cash register daily allowing receipts to overlap to the following school day. The inconsistent closing of the register also occurred at the end of the month. At month's end this practice results in a distorted financial position for the ASB Fund, increases the number of accounting and bank statement reconciling items that must be generated, and significantly increases the risk that errors or irregularities with the cash receipts processing or accounting will not be identified timely by the school's principal or staff.

Further, at one middle school we found that the staff was using the receipts generated by the QuickBooks system rather than those mandated by the District. The mandated receipts, ERGY, require the capture of specific data that may not be available in the QuickBooks system, leading to other documentation issues.



Table 1  
ASB Internal Control Weaknesses and Compliance Deficiencies – Receipts  
Summarized by School Type  
1 July through 31 December 2014

	<i>Elementary School</i>	<i>Middle School</i>	<i>High School</i>	<i>Total</i>	<i>Transactions Identified</i>
Error in Posting Deposits or Disbursements	1	2	1	4	9
Duplicate entries in QuickBooks for receipts and disbursements	1	0	0	1	4
Documentation for source of deposit not maintained and/or did not contain appropriate signatures	1	4	1	6	104
Deposits not processed timely	2	6	4	12	163
Reimbursement receipts added incorrectly	0	1	1	2	2
Cash vault difference	1	2	1	4	4
Collections not receipted	2	0	1	3	4
Student store sales not turned over to financial office daily	0	1	0	1	3
Erasure in receipts/supplementary receipts	3	2	0	5	7
Closeout of register not done daily, transactions overlapped in the following month.	0	1	0	1	68
Supplementary receipts or tally sheets not used in the collection of lanyards	0	1	0	1	8
Acceptance of postdated check	0	1	0	1	6
Grant proceeds deposited into an ASB account	0	2	0	2	2
Student body receipts not filed in numerical sequence	0	1	0	1	1
Deposit receipts issued out of sequence	0	1	0	1	5
Prenumbered deposit receipt missing/not accounted for	0	1	0	1	1
ASB Athletic account reimbursement processed through Accounts Payable was duplicated	0	0	1	1	1
Collections were recorded but not receipted	0	1	0	1	14
Error in addition on deposit ticket results in a deposit overage	1	0	0	1	1
QuickBooks receipts were issued instead of the regular ASB Master Receipts	0	1	0	1	69
<b>Receipt Errors/Deficiencies Identified</b>	<b>12</b>	<b>28</b>	<b>10</b>	<b>50</b>	<b>476</b>

Table 1 – a  
ASB Internal Control Weaknesses and Compliance Deficiencies – Receipts  
Summarized by Elementary Schools Sampled  
1 July through 31 December 2014

	<i>Angier</i>	<i>Balboa</i>	<i>Clay</i>	<i>Gage</i>	<i>Lafayette</i>	<i>Rolando Park</i>	<i>Silver Gate</i>	<i>Spreckles</i>	<i>Total</i>
Error posting deposits or disbursements			X						1
Duplicate entries in Quick Books for receipts and disbursements					X				1
Documentation for source of deposit not maintained and/or did not contain appropriate signatures				X					1
Deposits not processed timely			X					X	2
Reimbursement receipts added incorrectly									0
Cash vault difference								X	1
Collections not receipted					X			X	2
Student store sales not turned over to financial office daily									0
Erasure in receipts/supplementary receipts	X						X	X	3
Closeout of register not done daily, transactions overlapped in the following month									0
Supplementary receipts or tally sheets not used in collection for lanyards									0
Acceptance of postdated check									0
Grant proceeds deposited to an ASB account									0
Student body receipts not filed in numerical sequence									0
Deposit receipts issued out of sequence									0
Prenumbered deposit receipt missing/not accounted for									0
ASB Athletic account reimbursement processed through Accounts Payable was duplicated									0
Collections were recorded but not receipted									0
Error in addition on deposit ticket results in deposit overage								X	1
QuickBooks receipts were issued instead of the register ASB Master Receipts									0
<b>Disbursement Errors/Deficiencies Identified</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>12</b>

Table 1 – b  
ASB Internal Control Weaknesses and Compliance Deficiencies – Receipts  
Summarized by Middle Schools Sampled  
1 July through 31 December 2014

	<i>Dana</i>	<i>Farb</i>	<i>Knox</i>	<i>Mann</i>	<i>Montgomery</i>	<i>Pacific Beach</i>	<i>Roosevelt</i>	<i>Wagenheim</i>	<i>Total</i>
Error posting deposits or disbursements		X					X		2
Duplicate entries in Quick Books for receipts and disbursements									0
Documentation for source of deposit not maintained and/or did not contain appropriate signatures	X	X	X				X		4
Deposits not processed timely		X	X	X	X	X	X		6
Reimbursement receipts added incorrectly					X				1
Cash vault difference			X				X		2
Collections not receipted									0
Student store sales not turned over to financial office daily							X		1
Erasure in receipts/supplementary receipts		X					X		2
Closeout of register not done daily, transactions overlapped in the following month				X					1
Supplementary receipts or tally sheets not used in collection for lanyards				X					1
Acceptance of postdated check							X		1
Grant proceeds deposited to an ASB account			X	X					2
Student body receipts not filed in numerical sequence							X		1
Deposit receipts issued out of sequence			X						1
Prenumbered deposit receipt missing/not accounted for			X						1
ASB Athletic account reimbursement processed through Accounts Payable was duplicated									0
Collections were recorded but not receipted		X							1
Error in addition on deposit ticket results in deposit overage									0
QuickBooks receipts were issued instead of the register ASB Master Receipts		X							1
<b>Receipt Errors/Deficiencies Identified</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>28</b>

Table 1 – c  
ASB Internal Control and Compliance Deficiencies – Receipts  
Summarized by High Schools Sampled  
1 July through 31 December 2014

	<i>Clairemont</i>	<i>Crawford</i>	<i>Hoover</i>	<i>Madison</i>	<i>Mission Bay</i>	<i>Morse</i>	<i>Point Loma</i>	<i>Scripps Ranch</i>	<i>Total</i>
Error posting deposits or disbursements						X			1
Duplicate entries in QuickBooks for receipts and disbursements									0
Documentation for source of deposit not maintained and/or did not contain appropriate signatures						X			1
Deposits not processed timely		X	X			X	X		4
Reimbursement receipts added incorrectly			X						1
Cash vault difference						X			1
Collections not receipted	X								1
Student store sales not turned over to financial office daily									0
Erasure in receipts/supplementary receipts									0
Closeout of register not done daily, transactions overlapped in the following month									0
Supplementary receipts or tally sheets not used in collection for lanyards									0
Acceptance of postdated check									0
Grant proceeds deposited to an ASB account									0
Student body receipts not filed in numerical sequence									0
Deposit receipts issued out of sequence									0
Prenumbered deposit receipt missing/not accounted for									0
ASB Athletic account reimbursement processed through Accounts Payable was duplicated		X							1
Collections were recorded but not receipted									0
Error in addition on deposit ticket results in deposit overage									0
QuickBooks receipts were issued instead of the register ASB Master Receipts									0
<b>Receipt Errors/Deficiencies Identified</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>10</b>

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## **An Improved Documentation Process for Disbursement Transactions Could Reduce Risk**

The testing of the ASB disbursement transactions included 22 individual tests and observations. Table 2, on page 12, summarizes the testing for all 24 schools in our sample. We have grouped the schools into three groups, elementary, middle, and high schools. This summary table also includes the total number of deficiencies that we identified in all of the schools.

Best business practices for disbursements address the need for procedures to minimize the opportunity for an invoice to be paid multiple times. SDUSD established a practice of “cancelling an invoice” or marking paid on the face of the invoice. This practice helps to ensure that a FC or ESA and principal, who are reviewing the payments before signing the checks, would not prepare or approve a check for a previously paid invoice. Good business practices also stress the need to document all transactions.

Our testing of samples of disbursement transactions at the selected schools found 53 percent (13 of 24 schools) did not routinely cancel ASB Fund invoices. We identified 211 transactions where the invoice was not cancelled by the FC or ESA subsequent to the final approval of the payment by the principal. As a result, the risk of duplicate payments significantly increases.

As part of the documentation process, AP 2437 § C.4 requires that the disbursements have the approval of the governing student body before the checks are authorized.<sup>2</sup> Our testing found that in 5 of the 16 middle and high schools tested (31 percent), not all the disbursements included in our sample included evidence of approval of the disbursement by the student or ASB council.<sup>3</sup> We identified 99 transactions that did not include the ASB or student council approvals. The risk of inappropriately disbursing student funds increases when the ASB or club minutes evidencing the approval are not included as part of the support for the disbursement.

We also found that in 42 percent of the schools sampled (10 of 24) not all of the disbursements were supported by invoices or the invoices used as support were not appropriate for the disbursement. Without the correct invoice included with the disbursement

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<sup>2</sup> This applies to the organized ASB Funds at middle and high schools that have a student council and/or ASB council that provides the student governance and oversight of the ASB Fund. Elementary schools operate using an unorganized ASB Fund model and generally do not have a student council or ASB council.

<sup>3</sup> Where appropriate, we adjusted the number of deficient transactions to reflect those disbursements made on behalf of the faculty accounts included in the school’s ASB Fund.

documentation, the school's administration cannot reasonably assure that the correct invoice was paid and that student funds were appropriately expended.

We have provided tables on pages 13 through 15 that provide detailed results of our testing at the individual schools. The schools are grouped into elementary, middle, and secondary schools.

Table 2  
ASB Internal Control Weaknesses and Compliance Deficiencies – Disbursements  
Summarized by School Type  
1 July through 31 December 2014

	<i>Elementary Schools</i>	<i>Middle School</i>	<i>High Schools</i>	<i>Total</i>	<i>Deficiencies Identified</i>
Requisition not completed or missing appropriate signatures	0	5	3	8	46
Copy of Invoice for disbursement not retained or not appropriate	3	5	2	10	28
Check number used out of order	1	0	1	2	5
Checks outstanding for more than 180 days	1	3	5	9	76
Gift cards purchased	0	2	0	2	2
Students paid cash for fund raising promotion	0	1	0	1	1
Bank reconciliations not completed timely	2	4	2	8	11
Reconciliations not signed by the principal and/or financial clerk	1	0	1	2	7
Invoice not cancelled or marked "Paid"	3	5	5	13	211
Invoice or payment do not match requisition amount	0	0	2	2	4
Disbursement records not properly filed	0	0	1	1	10
Copy of ASB minutes not maintained	0	3	2	5	99
Checks issued out of order	0	0	1	1	4
Blank checks left in printer	0	0	1	1	1
Checks issued with only one signature	1	0	0	1	3
Signature area of voided check not mutilated	1	3	0	4	6
No bids for purchase	0	2	1	3	3
Duplicate Payment	0	0	1	1	1
Checks issued with insufficient ASB account balance	1	0	1	2	14
Checks were hand written	1	0	0	1	19
ASB Fund used for benefit of staff and parents	1	3	0	4	7
Journal Voucher to transfer inactive accounts to Principal's Discretionary Fund	1	0	0	1	1
<b><i>Disbursement Errors/Deficiencies Identified</i></b>	<b><i>17</i></b>	<b><i>36</i></b>	<b><i>29</i></b>	<b><i>82</i></b>	<b><i>559</i></b>

Table 2 – a  
ASB Internal Control and Compliance Deficiencies – Disbursements  
Summarized by Elementary Schools Sampled  
1 July through 31 December 2014

	<i>Angier</i>	<i>Balboa</i>	<i>Clay</i>	<i>Gage</i>	<i>Lafayette</i>	<i>Rolando Park</i>	<i>Silver Gate</i>	<i>Spreckles</i>	<i>Total</i>
Requisition not completed or missing appropriate signatures									0
Copy of Invoice for disbursement not retained or not appropriate				X	X			X	3
Check number used out of order				X					1
Checks outstanding for more than 180 days			X						1
Gift cards purchased									0
Students paid cash for fund raising promotion									0
Bank reconciliations not completed timely					X			X	2
Reconciliations not signed by the principal and/or financial clerk					X				1
Invoice not cancelled or marked "Paid"		X			X			X	3
Invoice or payment do not match requisition amount									0
Disbursement records not properly filed									0
Copy of ASB minutes not maintained									0
Checks issued out of order									0
Blank checks left in printer									0
Checks issued with only one signature		X							1
Signature area of voided check not mutilated			X						1
No bids for purchase									0
Duplicate Payment									0
Checks issued with insufficient ASB account balance								X	1
Checks were hand written							X		1
ASB Fund used for benefit of staff and parents						X			1
Journal Voucher to transfer to inactive accounts to the Principal's Discretionary Fund						X			1
<b>Disbursement Errors/Deficiencies Identified</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>17</b>



Table 2 – b  
ASB Internal Control Weaknesses and Compliance Deficiencies – Disbursements  
Summarized by Middle Schools Sampled  
1 July through 31 December 2014

	<i>Dana</i>	<i>Farb</i>	<i>Knox</i>	<i>Mann</i>	<i>Montgomery</i>	<i>Pacific Beach</i>	<i>Roosevelt</i>	<i>Wangenheim</i>	<i>Total</i>
Requisition not completed or missing appropriate signatures		X	X	X			X	X	5
Copy of Invoice for disbursement not retained or not appropriate			X	X	X		X	X	5
Check number used out of order									0
Checks outstanding for more than 180 days			X	X				X	3
Gift cards purchased	X		X						2
Students paid cash for fund raising promotion	X								1
Bank reconciliations not completed timely		X	X		X	X			4
Reconciliations not signed by the principal and/or financial clerk									0
Invoice not cancelled or marked "Paid"		X	X	X		X	X		5
Invoice or payment do not match requisition amount									0
Disbursement records not properly filed									0
Copy of ASB minutes not maintained			X	X			X		3
Checks issued out of order									0
Blank checks left in printer									0
Checks issued with only one signature									0
Signature area of voided check not mutilated			X	X			X		3
No bids for purchase						X	X		2
Duplicate Payment									0
Checks issued with insufficient ASB account balance									0
Checks were hand written									0
ASB Fund used for benefit of staff and parents		X	X			X			3
Journal Voucher to transfer to inactive accounts to the Principal's Discretionary Fund									0
<b>Disbursement Errors/Deficiencies Identified</b>	<b>2</b>	<b>4</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>36</b>

Table 2 – c  
ASB Internal Control and Compliance Deficiencies – Disbursements  
Summarized by High Schools Sampled  
1 July through 31 December 2014

	<i>Clairemont</i>	<i>Crawford</i>	<i>Hoover</i>	<i>Madison</i>	<i>Mission Bay</i>	<i>Morse</i>	<i>Point Loma</i>	<i>Scripps Ranch</i>	<i>Total</i>
Requisition not completed or missing appropriate signatures	X				X			X	3
Copy of Invoice for disbursement not retained or not appropriate	X		X						2
Check number used out of order						X			1
Checks outstanding for more than 180 days	X	X		X	X			X	5
Gift cards purchased									0
Students paid cash for fund raising promotion									0
Bank reconciliations not completed timely			X			X			2
Reconciliations not signed by the principal and/or financial clerk					X				1
Invoice not cancelled or marked "Paid"	X		X		X	X	X		5
Invoice or payment do not match requisition amount			X			X			2
Disbursement records not properly filed						X			1
Copy of ASB minutes not maintained	X					X			2
Checks issued out of order						X			1
Blank checks left in printer						X			1
Checks issued with only one signature									0
Signature area of voided check not mutilated									0
No bids for purchase	X								1
Duplicate Payment		X							1
Checks issued with insufficient ASB account balance							X		1
Checks were hand written									0
ASB Fund used for benefit of staff and parents									0
Journal Voucher to transfer to inactive accounts to the Principal's Discretionary Fund									0
<b>Disbursement Errors/Deficiencies Identified</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>29</b>

## Cash Account Activity of the ASB Funds Included in Our Sample

The following tables include the cash positions of the ASB Funds included in our sample. The cash balances reported in these tables were as of 31 December 2014 and are reported on a cash basis. Other adjustments and the inclusion of savings accounts and certificates of deposit may be required to accurately reflect the individual ASB Fund cash positions.

The District in its 30 June 2014 financial statements reported that the ASB Funds in total held \$7,655,649. The 1 July 2014 cash balances for the 24 schools that we selected totaled \$2,128,256, representing approximately 28 percent of the total ASB assets.

During our review period, the sampled schools received \$1,668,827 in ASB receipts and disbursed \$1,389,786. The ending cash balances for the sampled schools totaled \$2,407,297. The high schools in our sample accounted for 85 percent of the 1 July 2014 balances, approximately 84 percent and 85 percent of the receipts and disbursements, respectively, and 84 percent of the 31 December 2014 cash balances. The following table provides a summary of the cash balances and activities by school type for our review period.

Table 3: ASB Cash Activities by School Type

	Elementary	Middle	High	Total
	Schools			
Opening Balance	\$52,525	\$263,394	\$1,812,337	\$2,128,256
<b>ADD:</b> Receipts	38,293	231,598	1,398,936	1,668,827
<b>LESS:</b> Disbursements	29,288	172,671	1,187,827	1,389,786
<b>Closing Balances<sup>a</sup></b>	<b>\$61,530</b>	<b>\$322,321</b>	<b>\$2,023,446</b>	<b>\$2,407,297</b>

**Source:** Individual school ASB financial records

**Note:** <sup>a</sup> May not agree with the amount listed due to rounding

Table 3 – a  
ASB Cash Balances as of 31 December 2014  
For the Elementary Schools Sampled

	<i>Angier</i>	<i>Balboa</i>	<i>Clay</i>	<i>Gage</i>	<i>Lafayette</i>	<i>Rolando Park</i>	<i>Silver Gate</i>	<i>Spreckles</i>	<i>Total</i>
Opening Balance	\$9,289	\$2,609	\$4,272	\$9,094	\$9,303	\$2,965	\$9,361	\$5,632	\$52,525
<b>Add:</b> Receipts During the Period	871	2,629	15	6,652	402	1,070	16,071	10,583	38,293
<b>Subtract:</b> Disbursements During the Period	486	4,306	1,002	7,285	1,502	1,825	7,380	5,502	29,288
<b>Ending Checking Account Balance <sup>a</sup></b>	<b>\$9,674</b>	<b>\$ 932</b>	<b>\$3,285</b>	<b>\$8,462</b>	<b>\$8,203</b>	<b>\$2,210</b>	<b>\$18,052</b>	<b>\$10,713</b>	<b>\$61,530</b>

Source: Individual school ASB financial records

Note: <sup>a</sup> May not agree with the amount listed due to rounding

Table 3 – b  
ASB Cash Balances as of 31 December 2014  
For the Middle Schools Sampled

	<i>Dana</i>	<i>Farb</i>	<i>Knox</i>	<i>Mann</i>	<i>Montgomery</i>	<i>Pacific Beach</i>	<i>Roosevelt</i>	<i>Wangenheim</i>	<i>Total</i>
Opening Balance	\$21,054	\$6,483	\$8,200	\$74,707	\$17,070	\$24,840	\$52,435	\$58,605	\$263,394
<b>Add:</b> Receipts During the Period	32,045	27,872	9,936	15,139	17,296	18,799	72,612	37,899	231,598
<b>Subtract:</b> Disbursements During the Period	7,516	22,924	6,379	8,454	7,717	21,772	58,417	39,492	172,671
<b>Ending Checking Account Balance <sup>a</sup></b>	<b>\$45,583</b>	<b>\$11,431</b>	<b>\$11,757</b>	<b>\$81,392</b>	<b>\$26,650</b>	<b>\$21,867</b>	<b>\$66,630</b>	<b>\$57,012</b>	<b>\$322,321</b>

Source: Individual school ASB financial records

Note: <sup>a</sup> May not agree with the amount listed due to rounding

Table 3 – c  
ASB Cash Balances as of 31 December 2014  
For the High Schools Sampled

	<i>Clairemont</i>	<i>Crawford</i>	<i>Hoover</i>	<i>Madison</i>	<i>Mission Bay</i>	<i>Morse</i>	<i>Point Loma</i>	<i>Scripps Ranch</i>	<i>Total</i>
Opening Balance	\$174,492	\$173,097	\$273,020	\$103,524	\$218,413	\$147,121	\$379,231	\$343,439	\$1,812,337
<b>Add:</b> Receipts During the Period	110,071	47,942	165,308	124,645	96,621	129,882	267,652	456,815	1,398,936
<b>Subtract:</b> Disbursements	98,214	53,894	126,798	63,603	125,249	96,342	223,863	399,864	1,187,827
<b>Ending Checking Account Balance<sup>a</sup></b>	<b>\$186,349</b>	<b>\$167,146</b>	<b>\$311,530</b>	<b>\$164,566</b>	<b>\$189,784</b>	<b>\$180,661</b>	<b>\$423,020</b>	<b>\$400,390</b>	<b>\$2,023,446</b>

**Source:** Individual school ASB financial records

**Note:** <sup>a</sup> May not agree with the amount listed due to rounding

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## Responses from the Selected Schools

As part of our review process, OIA discussed the results of the reviews with the individual school principals and others involved with the management and oversight of the ASB at the conclusion of the review. Further, we provided them with a comment letter that included our observations, specific to their schools. We requested that they provide us with a corrective action plan that addressed our observations.

The individual schools provided us with a response and corrective action plan that addressed our observations and concerns. They generally concurred with the observations related to their individual schools. We did not include the individual comment letters and responses in this report due to the volume of the documents. These documents are available for review.

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## Comments from the Superintendent and the CFO

We provided a draft of this report to the Superintendent and the CFO for review and comments. They did not provide us with formal comments on the report. However, the CFO did provide us with technical comments, which we incorporated into the body of the report as appropriate.

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## Contributors

The following OIA staff had significant involvement in the fieldwork and preparation of this report: Ines Abitria, Jaime Buensuceso, CFE, Susan Jarrod, and Clark Simington, CIA, CGAP.

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Copies of this final report will be provided to the Board of Education, the Audit and Finance Committee, the General Counsel, the Area Superintendents, Executive Director, Quality Assurance, and the principals of the schools included in this review. We will include a copy of this report on the District's webpage at <http://www.sandi.net/Page/29706>. Should you have any questions regarding this report, please contact me at [jcashmon@sandi.net](mailto:jcashmon@sandi.net) or at 619.725.5696.



John M. Cashmon  
Director, Internal Audit

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