




TO: Scott Thomason, Principal
Creative Performing Media Arts (CPMA) Middle School

FROM: John M. Cashmon, Director 
Office of Internal Audit

DATE: 05 January 2015

SUBJECT: *CPMA Middle School – Audit Reports for (SY-14)*

Attached are the Office of Internal Audit's (OIA's) reports on the results of our review of the CPMA Associated Student Body, Time and Labor, and Purchase Card for SY-14, and your response to the audit reports.

Your response and corrective actions were responsive to our recommendations.

We do not provide comment on your general recommendation to increase the hours of the existing finance clerk position from .5 to a 1.0 FTE, and to your second recommendation to remove the existing employee. It is your prerogative and beyond the scope of the audit.

c: Members, Board of Education
C. Marten
S. Monreal
S. Freire
C. Duran

email: Members, Audit Committee
C. Marten
S. Monreal
M. Hudson



Audit Report

Creative Performing Media Arts (CPMA) Middle School

Associated Student Body

January 5, 2015

Introduction

The Office of Internal Audit performed an audit of the Associated Student Body (ASB) at CPMA Middle School for the period July 1, 2013 through June 30, 2014 at the request of the principal.

Student body funds are funds that have been earned or received by the students as a group. These funds are held in the name of the student body organization for the benefit of the student body as a whole. The superintendent shall have the responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student activity funds in accordance with established policies and regulations of the Board of Education. The principal, as trustee, is directly responsible for the conduct of student financial activities. The ASB Advisor, under the principal's direction is responsible for all student activities, clubs, fund-raisers and specific additional duties outlined in district procedures. The financial clerk, under the principal's direction and supervision, is responsible for all handling of cash in connection with these activities.

The CPMA Middle School ASB checking and other asset accounts as of June 30, 2014, had a balance of \$105,000.00. The ASB General Fund constitutes a balance of \$63,000.00 of this total. Approximately \$116,000.00 was deposited and \$105,000.00 was withdrawn between July 1, 2013 and June 30, 2014, through the CPMA Middle School ASB checking account.

Audit Scope

We performed the audit of ASB financial records for the period July 1, 2013 through June 30, 2014 at CPMA Middle School. We examined the procedures being followed, and transactions for cash receipts and disbursements of the ASB funds,

Audit Objectives

- To ensure adequate internal controls are in force.
- To determine if ASB accounts and activities are in accordance with district procedures.
- To determine that expenditures have adequate supporting documentation.
- To determine that record keeping is sufficient to assure efficient and accurate accounting.

Audit Findings Summary

1. The proceeds from the cookie dough sales were short by \$1,142.00.
2. The \$500.00 proceeds from See's Candies sale collected in April 2014 were not receipted until September 29, 2014.
3. The cash collections were not being deposited the next business day as required, and there was an unexplained shortage of \$29.00.
4. The ASB financial records are disorganized.
5. Some collections were not sequentially deposited in the bank.
6. The actual Merchandise Inventory on hand was not taken at the end of the year as required for the last three years.
7. Thirteen inactive accounts are still maintained in the books.
8. The ASB consultant form was not completed for the payment of services to an independent contractor.
9. Some school clubs do not have a "Request for Organization of a School Club" and "Club Advisor Checklist" on file.
10. A check in the amount of \$349.71 was posted to the wrong account.
11. The Income & Expense Summary was not closed to ASB General Fund for the last two years.

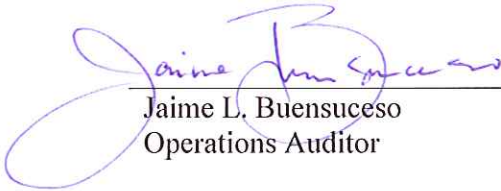
Conclusion

In our opinion, the ASB financial activities at CPMA Middle School from July 1, 2013 to June 30, 2014, are unsatisfactory and need improvement. Due to the failure of the financial clerk to follow prescribed administrative procedures such as, cash collections were not receipted and deposited in a timely manner, failure to take/record merchandise inventory, and disorganization of the financial records, the internal controls were diminished. As a result, there was limited assurance that all collections were properly accounted for.

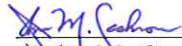
To improve internal controls, the site administrator must;

- Ensure that the financial clerk issues a receipt, records, and deposits the collections in a timely manner.
- Advise the club advisors to always obtain a receipt for all cash collections that they turn over to the financial office.
- Ensure that merchandise inventory is taken at the end of the year and recorded in the books.
- Ensure that financial records are filed in an orderly manner.
- Require the club advisors prepare the revenue potential analysis of the fundraiser. Any difference between the projected revenue and actual revenue must be investigated and explained in writing.

We appreciate the courtesies and cooperation of school personnel during the examination.



Jaime L. Buensuceso
Operations Auditor



John M. Cashmon
Director, Internal Audit

Audit Findings and Recommendations

1. The proceeds from the cookie dough sales were short by \$1,142.00.

In December 2013, the Band & Orchestra Club conducted a Cookie Dough fundraiser. The analysis is the comparison of projected revenue to actual revenue. The vendor's invoice paid by the club showed the cost and selling price of the products. Based on the vendor's invoice, we determined the total amount collected, and compared it to the total cash deposited into the ASB club account. The comparison revealed a shortage of \$1,142.00 as follows.

	Total sales
Amount to be collected per vendor's invoice	13,549.00
Amount deposited in the school club account	12,407.00
Total shortage	1,142.00

We interviewed the club advisor and asked for a written explanation of the shortage in sales. The club advisor did not provide a written explanation for the difference of \$1,142.00 between projected revenue and actual revenue.

Recommendation

The Principal should require the club advisor to provide a written explanation for significant difference between projected revenue and actual revenue.

The Principal should not approve any subsequent fundraising activities by the club until the shortage of \$1,142.00 is fully explained.

2. The \$500.00 proceeds from See's Candies sale collected in April 2014 were not receipted until September 29, 2014.

We prepared a revenue potential analysis of See's Candies sales conducted by the Band & Orchestra Club in April 2014. The analysis is the comparison of projected revenue to actual revenue. The vendor's invoice paid by the club showed the cost and selling price of the products. Based on the vendor's invoice, we determined the total amount collected, and compared it to the total cash deposited into the ASB club account. The comparison revealed a shortage of \$500.60 as follows.

	Total sales
Amount to be collected per vendor's invoice	6,416.25
Amount deposited in the school club account	5,915.65
Total shortage	500.60

On Sept. 29, 2014, the financial clerk informed the auditor that she found an envelope in the safe containing cash proceeds from See's Candies sale in April 2014 totaling \$518.50 that were not yet receipted and recorded in the club account.

As a result, there was an increased risk of loss or misappropriation of funds due to the failure of the financial clerk to issue receipt and make the deposit in a timely manner

Recommendation

The Principal should:

require the financial clerk to issue receipt upon collection, record, and deposit the money in the bank in a timely manner; and

ensure that club advisors always obtain a receipt for cash collections that they turn over to the financial office.

3. The cash collections were not being deposited the next business day as required, and there was an unexplained shortage of \$29.00.

On Sept. 9, 2014, we did a surprise cash count at the finance office to ensure that cash collections are properly accounted for, and the established change fund is intact. The surprise cash count revealed that collections from 9/5/2014 to 9/8/2014 totaling \$2,331.00 were not yet deposited. Included in the \$2,331.00, was \$959.00 sales on 9/8/2014 that were not yet received.

The financial clerk explained that she was not able to make the daily deposit, and issue a receipt upon collection due to lack of time. Her time was cut by half, from 40 hours to 20 hours a week. Also, the financial office was fully occupied at the start of the school year selling PE clothes, stickers, and planners that resulted in the delay of making the deposits.

During the cash count we also identified a cash shortage of \$29.00. The total amount of cash collected per receipts was \$2,331.00 but the actual cash on hand was \$2,302.00, a shortage of \$29.00. The financial clerk did not know the possible causes of the difference,

Recommendation

The Principal should:

require that collections be receipted, recorded, and deposited in a timely manner; and

all shortages and overages be recorded in the books through a journal voucher with detailed explanation of the shortage/overage approved by the principal.

4. The ASB financial records are disorganized.

The ASB financial records and documents such as receipt, and checks are not filed in an orderly manner. As a result, there were 26 ASB checks totaling \$10,512.62 that we were not able to examine because they were not on file.

Recommendation

The Principal should require that all ASB financial records such as receipts, checks, bank statements, etc., are filed in orderly manner and are available for examination or audit at any time.

5. Some collections were not sequentially deposited in the bank.

During the surprise cash count on 9/9/2014, we verified the existence of cash collections not yet deposited, and collections already deposited into the bank.

We noted that collections on 9/5/2014 were partially deposited ahead of collections that were received on 9/3 and 9/4/2014, while other collections received on 9/5/14 were still not yet deposited.

Recommendation

The Principal should require the financial clerk to sequentially deposit collections in the bank to minimize the risk of error in making deposits.

6. The actual Merchandise Inventory on hand was not taken at the end of the year as required for the last three years.

A month before the end of the school year, the Office of the Controller sent guidelines (Year End Memo) to the school sites for closing the ASB books of accounts. Included in the guidelines was an instruction to take the actual merchandise inventory for sale and record it in the ASB books.

For the last three school years, the school bought and sold merchandise such as PE clothes, and locks. However, we noted that merchandise inventory on hand recorded in the books in the amount of \$5,561.30 was the balance since June 30, 2011. There was no recording of actual merchandise inventory on hand at the end of the year as required for the last three school years.

As a result, we were not able to determine the reasonableness of PE Clothes sales totaling \$12,443.00 for school year 2013/2014.

Recommendation

The Principal should:

require the financial clerk to record the actual merchandise inventory on hand at the end of the school year;

mandate that PE clothes sales be reconciled with the actual quantity of PE clothes sold to ensure that all sales are accounted for; and

require the year-end memo guidelines are followed by the financial clerk.

7. Thirteen inactive accounts are still maintained in the books.

There are 13 inactive accounts for more than one year that need to be reviewed by school administration and a decision made as to their disposition.

District Administrative Procedure No. 2225, Section C.6.n. states:

“Trust account balances. All balances remaining in the trust account of any club or organization one year after the club or organization has been disbanded or has been inactive for one year shall be reviewed by the principal or designee and the student council, and subject to extenuating circumstances, shall be transferred to the Student Body General Fund. Such action shall be recorded in the minutes of a student council meeting.”

Account No.	Account Name	Amount	Inactive since
2348	504 Fund	149.00	05/26/2010
2349	JAZZ Festival Fund	100.00	05/28/2010
2016	Boomers – 8 th Gr. Activity	159.07	06/07/2010
2810	Science Class	431.35	01/05/2011
2910	Talent Show	1,320.00	03/17/2011
2353	The Tippet Foundation Account	1,740.00	06/08/2011
2025	8 th Gr, DC Trip Fundraising	497.40	03/06/2012
2030	Spanish Club	43.08	05/03/2012
2901	Community Garden Trust	1,681.58	05/24/2012
2904	Circle of Friends	65.97	06/08/2012
2498	ASB Clearing	305.00	08/27/2012
2499	District – Clearing Account	2.00	10/05/2012
2352	Band Coaching	1,590.65	06/17/2013
	Total	8,085.10	

Recommendation

The Principal to comply with district procedure (AP 2225), require all balances remaining in the trust account of any club or organization one year after the club or organization has been disbanded or has been inactive for one year shall be reviewed by the principal (or designee) and the student body council, and subject to extenuating circumstances, shall be transferred to the Student Body General. Such action shall be recorded in the minutes of a student council meeting.

8. The ASB consultant form was not completed for the payment of services to an independent contractor.

An ASB consultant form was not completed by the independent contractor for the following services.

Date	Check No.	Description	Amount
09/20/2013	2163	Instrument Repair	145.00

10/17/2013	2181	Instrument Repair	200.00
12/02/2013	2199	Instrument Repair	230.00
12/03/2013	2200	Instrument Repair	165.00
01/09/2014	2220	Instrument Repair	85.00
02/25/2014	2239	Instrument Repair	65.00
04/21/2014	2258	Instrument Repair	279.18
04/28/2014	2264	Instrument Repair	110.80
		Total	1,279.98

The Internal Revenue Service requires the district to report payment of rent and services (including parts and materials) made to a contractor. This requirement can be accomplished by having the contractor complete the ASB Consultant Form and submit the completed form to Accounts Payable Department for preparation of Form 1099 - Miscellaneous Income.

Recommendation

The Principal should have the contractor complete an ASB Consultant Form when paid to perform services on behalf of the students.

9. Some school clubs do not have a “Request for Organization of a School Club” and “Club Advisor Checklist” on file.

This audit finding was previously reported in an audit report dated Feb. 18, 2011.

The following school clubs do not have a “Request for Organization of a School Club” and “Club Advisor Checklist” on file.

Account No.	Account Name
2008	AVID
2035	Stage Craft
2342	Video/Film
2344	Band & Orchestra
2351	Sports Club
2902	Jr. NAD Account
2903	Community Service

District Administrative Procedure No. 6240, section C.4.b, C.4.c, and D.1.c.3 state, respectively that

“Every proposed student club desiring district authorization must apply to the student governing body of the school.”

“A charter, constitution or statement of purpose and objectives, and membership requirements must be approved by the student governing body and by the principal. A copy must be on file in the ASB office and financial office.”

“Advisor acknowledges receipt of “Club Advisor Checklist”. A signed copy of the “Club Advisor Checklist” must be on file in the school financial office.”

Recommendation

We recommend that the Principal require “Request for Organization of a School Club” be completed and approved before allowing the club to conduct any activities on the school premises. An approved copy filed with the finance office.

The Principal should require all club/class advisors and any employees that do fundraisers to sign the “Club Advisor Checklist”, and the signed copy should be kept in the finance office.

10. A check in the amount of \$349.71 was posted to the wrong account.

On Feb. 18, 2014, an ASB check #2240 for \$349.71 was issued to pay for clothes and shoes. This expense was charged to the Faculty Fund account instead of the Dance Club account. As a result, the Faculty Fund was understated and the Dance Club account was overstated.

Recommendation

The Principal should authorized transfer of \$349.71 from Dance Club to Faculty Fund account via a journal voucher.

11. The Income & Expense Summary was not closed to ASB General Fund for the last two years.

A month before the end of the school year, the Office of the Controller sent guidelines (Year End Memo) to the school sites for closing the ASB books of accounts. Included in the guidelines was an instruction to close the Income & Expense Summary to the ASB General Fund.

We noted that for the last two school years, the Income & Expense Summary Account was not closed to the ASB General Fund as follows.

School Year	Income & Expense Summary
2012/2013	7, 996.02
2012/2014	8,211.00
Total	16,207.02

Recommendation

The Principal should require the financial clerk to close the Income and Summary Account to the ASB General Fund at the beginning (July 1) of the school year; and

require that the year-end memo guidelines had be followed by the financial clerk in order to have more reliable financial reports.

Audit Report

Creative Performing Media Arts (CPMA)

Payroll Time and Labor

January 5, 2015

Introduction

The Office of Internal Audit conducted an audit of the payroll time and labor at CPMA for the period July 1, 2013 through June 30, 2014.

The review included an examination of PeopleSoft time and labor computer records, applicable district procedures, and payroll documentation maintained at the school site.

The school general secretary is responsible for recording payroll data into the Time & Labor system. Based on timecards prepared by employees and approved by the site administrator, the school general secretary enters the payable time, and absences such as sick leave, vacation leave, and additional earnings, into the Time & Labor system. The timecards must be entered as required by the Payroll Department to assure accurate payroll reporting.

The school site is also required to run the monthly payroll reports for example, Audit Paid to Reported Time, and Time Summary. The monthly payroll reports are to be reviewed and approved by the site administrator to certify the payroll, ensuring that the employees' wages and absences are properly authorized and recorded.

The employees assigned at CPMA totaled 64, including the principal.

Audit Scope and Objectives

The scope of this audit included a review of all supporting documentation for the payroll time and labor input from July 1, 2013 through June 30, 2014.

The specific objectives of this audit were to:

- determine that internal controls exist to protect the assets of the school district.
- determine that the time keeping process complied with district policies and procedures.
- verify that all absences and payable hours were recorded timely and accurately.
- verify that all absences are payable hours, are authorized and properly documented.
- determine that monthly positions are valid and full time equivalent agrees to employee's actual hours worked.

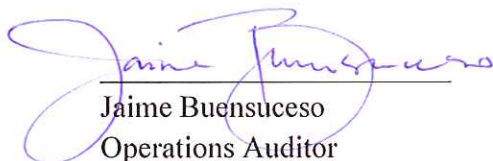
Audit Findings Summary

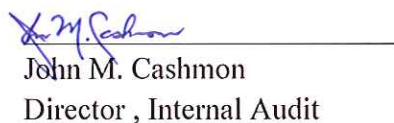
1. A total of 36.5 hours of additional pay amounting to \$1,005.52 were posted to Time and Labor without supporting documentation on file.
2. Absences of several employees totaling 112 hours were not recorded in the Time and Labor system.
3. Supporting documentation for Industrial Accident leave totaling 224 hours was missing. As a result, the propriety of the 224 hours Industrial Accident leave could not be determined.

Conclusion

Other than the matters included in this report, nothing come to our attention that lead us to believe the CPMA payroll accounts were misstated.

We appreciate the cooperation extended by the staff during the examination.


Jaime Buensuceso
Operations Auditor


John M. Cashmon
Director , Internal Audit

Audit Findings and Recommendations

1. A total of 36.5 hours of additional pay amounting to \$1,005.52 were posted to Time and Labor without supporting documentation on file.

Our review of the payroll records for the period July 1, 2013 through June 30, 2014, revealed that a total of 36.5 hours were entered into the Time and Labor System without timecards on file as follows.

TRC	Description of Hours	No. of Hours	Amount
NCT	Non-Classroom Hourly	28.50	883.79
EXTRA	Extra Time	8.00	121.73
	Totals	36.50	1,005.52

Timecards are to be retained at the site to substantiate the hours reported in the Time and Labor system and for audit purposes.

As a result, there was an increased risk in loss of funds because employees may have been paid for time that they did not work due to lack of appropriate written approval that will validate the work performed.

Recommendation

The Principal should require all staff to complete a timecard and the timekeeper should ensure that proper supporting documentation is on file when processing time and labor.

2. Absences of several employees totaling 112 hours were not recorded in the Time and Labor system.

Our review of payroll records for the period July 1, 2013 through June 30, 2014, revealed that 112 hours of employee's absences were not reported to the Time and Labor system. As a result employee's accrued benefit balances in some instances were overstated.

Specifically, we noted the following:

No. of employees	Date	TRC	Hours	Remarks
9	10/17/13 – 06/18/14	SLF	88	Per SAMS
2	01/23/14 & 06/03/14	PRB	16	Per SAMS
1	04/14/14	PRN	8	Per SAMS
Total Hours			112	

Absences reported in the Substitute Assignment Management System (SAMS) are to be reported in the Time and Labor system and timecards are required to support the absences.

Recommendation:

The Principal should require the timekeeper to make the corrections by submitting Time Error Correction Notices to Payroll.

3. Supporting documentation for Industrial Accident leave totaling 224 hours was missing. As a result, the propriety of the 224 hours Industrial Accident leave could not be determined.

We examined the benefit absences reported for the period July 1, 2013 through June 30, 2014 for certificated and classified employees. We found that 224 hours of Industrial Accident leave did not have timecards to support the employee's absences reported in Time and Labor. As a result, we were not able to determine the propriety of the absences.

Timecards are to be retained at the site to substantiate the hours reported in the Time and Labor system and for audit purposes.

Recommendation:

The Principal should require responsible staff to complete an absence request form and that the timekeeper should ensure all absence requests' supporting documentation are on file.



Audit Report
Creative Performing Media Arts (CPMA) Middle School
Purchase Card

January 5, 2015

Introduction

Finance Division introduced the purchase card program to streamline procurement procedures. The purchase card allows District departments and sites, under specific guidelines, to effectively obtain low dollar value purchases directly from vendors without waiting for purchase orders to be processed for each transaction.

The Controller as the Program Administrator administers the district's purchase card program and implements the purchase card policies and procedures. The Program Administrator is also responsible for setting appropriate card limits and commodity restrictions; and for monitoring, supervising and evaluating the use of purchase cards.

The Approving Official is responsible for reviewing all charges of cardholders that report to him/her. Additionally, the Approving Official is responsible for ensuring that all purchases on the monthly cardholder statements are appropriate, for official use, and have proper receipts or documents.

The cardholder is responsible for ensuring that the purchase card is used in accordance with district policies and procedures and all purchases of commodities are in accordance with district procurement and contracting procedures and policies. The cardholder is also responsible to keep all the original receipts/invoices at the site for audit.

Audit Objectives

- To determine if the internal control system is adequate and effective.
- To determine if purchase card activities comply with district procedures.
- To determine that expenditures are authorized and have adequate supporting documentation.
- To determine that record keeping are sufficient to reasonably assure efficient and accurate accounting.

Audit Scope

We examined the Purchase Card policies and procedures being followed and related records and reports for the period July 1, 2013 through June 30, 2014.


Audit Findings Summary

1. Purchase card was used for prohibited purchases.
2. Use/Sales tax was not reported.

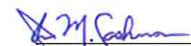
Conclusion

In our opinion, other than the matter noted above, nothing came to our attention that caused us to believe that the Purchase Card financial activities at CPMA Middle School from July 1, 2013 to June 30, 2014, were misstated.

We appreciate the cooperation of school personnel during the examination.



Jaime Buensuceso
Operations Auditor



John M. Cashmon
Director, Internal Audit

Audit Finding and Recommendation

1. Purchase card was used for prohibited purchases.

On four occasions, the school's purchase card was used to purchase ibuprofen, acetamin, Tylenol, Advil, and ointment as follows.

Date	Description	Amount
11/23/2013	Ibuprofen	19.81
02/28/2014	Acetamin	4.26
06/07/2014	Tylenol, ointment	20.70
06/10/2014	Advil	12.25
	Total	57.02

Medication of any kind is one of the prohibited purchases stated in the "Purchase Card Policy and Procedures Manual".

Note: Any purchase of a prohibited item will result in immediate and permanent revocation of cardholder privileges.

Recommendation:

The cardholder and the approver should review the prohibited purchases stated in the Purchase Card Policy and Procedures Manual.

3. Use/Sales tax was not reported.

The Purchase Card Statement of Expenses submitted to Accounts Payable by the cardholder stated that sales tax was paid on purchases made from out of state vendors. However, we noted that the sales tax on the purchases on to 3/20/14 and 05/20/2014 totaling \$237.98 was not paid as follows.

Date	Description	Amount	Remarks
03/20/2014	Materials for Music Department	159.00	Tax not reported
05/20/2014	Office Supplies	78.98	Tax not reported
	Total	237.98	

As a result, the district may be penalized for not reporting the equivalent use tax on the above purchases.

Recommendation:

The cardholder should ensure that applicable use tax is reported in the monthly Purchase Card Statement of Expenses reported to Accounts Payable if the sales tax was not collected by the vendor. The principal on review of the Purchase Card Statement has responsibility for certifying that the statement is correct.

**Creative Performing Media Arts (CPMA)
CPMA Principal's Response to Audit Report
17 December 2014**

Below is a response to the findings from the internal audit I requested earlier this year. I have added responses to both the time-keeping audit and the purchase card audit as well.

Associated Student Body (ASB)

1. The proceeds from the Cookie dough sales were short by \$1,142.00.

Response:

- a. As a result of the findings, all fundraisers were shut down pending review and retraining of all staff.
 - b. The teachers responsible claim that the receipts for the fundraiser are in scattered boxes currently displaced because of the move. They were directed to create a single location for ALL future receipts and fundraising activities and that upon request, they are to be able to present all required paperwork
 - c. The teachers also claim that students received product but never turned in money. Teachers were directed to host only fundraisers where ALL monies are collected and turned in in advance of product distribution
2. A \$500.00 proceed from a See's Candies sale collected in April 2014, were not receipted until September 29, 2014.

Response:

- a. The finance clerk was documented as a result with expectations that all receipts be handled in a timely manner in the future.
 - b. The finance clerk has indeed been directed to ensure that cash collections are recorded and deposited in a timely manner. In fact, the principal has directed the finance clerk to collect, record, and deposit all proceeds within 24 hours. At no time is money to be left in the safe over a weekend or break.
3. The cash collections were not being deposited the next business day as required and there was an unexplained cash shortage of \$29.00

Response:

- a. Finance clerk documented. Follow up to occur weekly.
- b. Finance clerk was directed to review all deposits to determine where \$29.00 shortage occurred. Whether a bookkeeping error or a failure to deposit funds previously recorded, the error was to be resolved with explicit directives to ensure such issues do not take place in the future. Principal to sit down with Finance clerk to review collection and counting process.

**Creative Performing Media Arts (CPMA)
CPMA Principal's Response to Audit Report
17 December 2014**

4. ASB financial records are disorganized

Response:

- a. This speaks to the crux of the ongoing concerns I have with the Finance clerk. Generally disorganized, ineffective, and behind. Unit member directed to organize and file all ASB receipts, forms, and paperwork where it can easily be retrieved.

5. Some collections not sequentially deposited in the bank.

Response:

- a. Noted with expectation of corrective action taking place
b. It goes without saying (though apparently it must be said) that the finance clerk was directed to ensure that collections are properly deposited in the bank and that a system be established to ensure sequentiality if the future.

6. Merchandise inventory on hand not taken at the end of the year as required for the last three years.

Response:

- a. Finance Clerk documented. Secretary _____ to work with unit member to ensure that all future inventory is done.
b. A full inventory of all PE clothes to be conducted with the expectation that alignment and reconciliation of sales to PE clothes takes place by January 23, 2015

7. Thirteen inactive accounts still maintained in the books.

Response:

- a. Inactive accounts have been closed.

8. ASB consultant form not completed for the payment of services to an independent contractor

Response:

- a. For instrument repair. Will follow up with Finance clerk to ensure consultant form is properly completed.

9. Some School clubs do not have a "request for Organization of a School Club" and "club advisor Checklist" on file

Response:

- a. Finance clerk and all clubs advised that as of 12/1/2014, any club without appropriate paperwork having been completed, will result in the club being shut down.

**Creative Performing Media Arts (CPMA)
CPMA Principal's Response to Audit Report
17 December 2014**

10. A check in the amount of \$349.71 was posted to the wrong account.

Response:

- a. Directed to correct.

11. The income and expense summary was not closed to ASB general fund for last two years.

Response:

- a. Documented and directed to correct.

Principal's additional response:

The general recommendation from the site is to increase the hours of the existing finance clerk position from .5 (currently) to a 1.0 FTE. There is too much happening at an arts middle school to support anything less than a full time finance clerk.

A secondary recommendation from the site is to remove the existing employee, who has failed to meet expectations or remediation attempts, from the site.

I will continue to follow up with the employee and attempt to correct what can be corrected moving forward.

Office of Internal Audit (OIA's) comment: OIA do not provide comment on the principal's general recommendation to increase the hours of the existing finance clerk position from .5 to a 1.0 FTE, and to his second recommendation to remove the existing employee. It is the principal's prerogative and beyond the scope of the audit.

Response to Purchase Card Audit:

With regard to the Procurement Card audit findings, it was noted that the purchase card was used to purchase medicine for the nurse's office which is prohibited. We have taken note of this, reviewed the allowable expenses procedures and will no longer be using the P-Card for these items.

As to item 3: Use/sales tax not reported, the site was unaware that this occurred and will ensure that applicable sales tax is reported properly in the monthly purchase card statement, indicating whether or not the vendor collected sales tax. The principal will request review training of p-card expense report reading.

Response to Time & Labor Audit:

In the audit findings regarding time-keeping: all missing paperwork has been accounted for and corrections made to the time keeper's report. Time Error Correction Notices will be sent to Payroll.