



TO: Mitzi Merino, Area 5 Superintendent
FROM: Stephen Carr, Director, Office of Internal Audit *WSC*
DATE: March 25, 2014
RE: Garfield Elementary School – ASB Audit

Our office conducted an audit of the Garfield Elementary School Associated Student Body (ASB) for the period July 1, 2012 through June 30, 2013. The audit report contains information regarding the audit findings and recommendations. Enclosed are copies of the audit report and the response.

The site administrator was responsive to all of our recommendations and corrective actions had been taken or are planned.

If you have any questions concerning the information in this report, please call me at 725-5696.

c: Members, Board of Education
C. Marten
S. Monreal
A. Donovan

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

Audit Report
Garfield Elementary School
Associated Student Body (ASB)

March 5, 2014

Introduction

We performed a regular audit of the ASB financial activities at Garfield Elementary School for the period July 1, 2012 through June 30, 2013.

Student body funds consist of monies collected, contributed, and earned by students through activities such as contests, plays, and sales, including monies given to a particular school for use of students.

The superintendent shall have responsibility and authority to implement all policies and regulations pertaining to the supervision and administration of student body activity funds in accordance with established policies and regulations of the Board of Education. The principal, as trustee is directly responsible of the overall management and administration of the school including the conduct of student financial activities. The elementary school assistant under the principal's direction shall be responsible for all student activity funds, shall maintain control records, and shall follow prescribed accounting procedures.

The principal, who was in charge of the ASB operations from July 2012 to June 2013, had resigned on 7/20/13. The current principal assumed the supervision of the ASB operations on 8/26/2013.

The Garfield Elementary School ASB checking and other asset accounts as of June 30, 2013, had a balance of \$2,500.00. Approximately \$12,800.00 was deposited and \$11,200.00 was withdrawn between July 1, 2012 and June 30, 2013, through the Garfield Elementary School ASB accounts.

Audit Objectives

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

Audit Scope

Our review included an analysis of the ASB financial activities from July 1, 2012 through June 30, 2013. We examined the procedures being followed and transactions for cash receipts and disbursements of the ASB funds.

Audit Findings

1. Three ASB receipts were missing.
2. Collections totaling \$752.56 were not receipted.
3. Receipts are not used in sequence.
4. Two Journal Vouchers were not filled out completely and not signed by the principal to indicate approval.

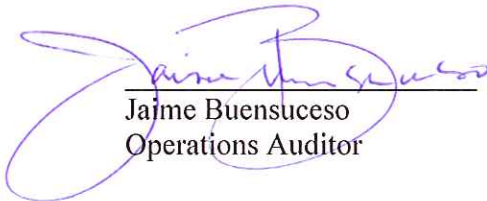
Conclusion

In our opinion, the ASB financial activities at Garfield Elementary School from July 1, 2012 to May 31, 2013, are generally in order, except for the above findings that need attention.

To improve internal controls, the school administration should implement the following.

- All collections must be receipted.
- The ASB receipts must be issued in sequence.
- All ASB receipts (used, unused, and voided) must be accounted for and on file.

We appreciate the cooperation of school personnel during the examination.



Jaime Buensuceso
Operations Auditor



W. Stephen Carr
Director, Office of Internal Audit

Audit Findings and Recommendations

1. Three ASB receipts were missing.

The verification of written ASB receipts to the funds deposited in the bank revealed that all copies of three ASB receipts (140693 – 140695) were missing. We were not able to determine if those receipts were used or not used. If those receipts were used, we were not able to verify the accuracy of the funds represented by those receipts.

As a result there is a risk that collections may not be properly accounted for due to missing receipts. The ASB receipts are documents that must be accounted for because the loss of receipts is regarded in the same manner as the loss of cash.

Recommendation

The principal should institute practices to assure that all ASB receipts (used, unused, and voided) are properly safeguarded and must be on file for audit purposes.

We require the Elementary School Assistant to issue student body receipt in sequence to immediately identify any missing receipts.

2. Collections totaling \$752.56 were not receipted.

The verification of written ASB receipts to the funds deposited in the bank revealed that a deposit on 11/13/12 in the amount of \$752.56 did not have corresponding receipts on file.

As a result, there is limited assurance that the collections deposited in the bank and recorded in the ASB books are accurate. There is also a risk of possible monetary loss since collections were not receipted.

District Administrative Procedure No. 2235, section C.2.e. states "Receipts. Schools shall issue receipts in triplicate (on receipt machines) for all money collected, except cafeteria funds which are controlled by the cash register. Receipts must be written in sequence. Receipts written after a deposit has been prepared should be dated the following school day."

Recommendation

We require the Elementary School Assistant to issue student body receipt at time money is collected, and enter the activity or fund involved, purpose of collection, and name of person or organization from whom the money was received.

All ASB receipts (used, unused, and voided) must be on file for audit purposes

3. Receipts are not used in sequence.

The Elementary School Assistant did not issue the ASB receipts in sequence, as follows.

Receipt No.	Issue Date	Remarks
140627 to 140629	June 7, 2013	
140630 to 140692		Available - Not yet used
140693 to 140695		Missing
140696	December 7, 2012	
140697 to 140700	November 30, 2012	

As a result, there was no assurance that collections are fully accounted for since the ASB receipts were issued out of order.

District Administrative Procedure No. 2235, section C.2.e. states "Receipts. Schools shall issue receipts in triplicate (on receipt machines) for all money collected, except cafeteria funds which are controlled by the cash register. Receipts must be written in sequence. Receipts written after a deposit has been prepared should be dated the following school day."

Recommendation

We require the Elementary School Assistant to issue student body receipt in sequence.

All ASB receipts (used, unused, and voided) must be on file for audit purposes.

4. Two Journal Vouchers were not filled out completely and not signed by the principal to indicate approval.

A Journal Voucher is a document used as an authorization to record financial transactions such as transfer of funds, adjustments and correcting entries. The journal voucher shows the date, amount, accounts, description of the transactions and signature of the approving official.

Two journal vouchers (JV 153201 & JV153202) used by the Elementary School Assistant on 6/27/2013 to record non-sufficient fund checks did not show the affected accounts, amounts, and the approval of the principal.

Recommendation

We require the principal institute practices to assure signature of the journal voucher to indicate approval that the financial transactions recorded correctly in the books of record.

We require the Elementary School Assistant to completely filled out all the information in the journal voucher such as date, amount, affected accounts, and the description of the transaction.



San Diego Unified
SCHOOL DISTRICT

Mitzi Merino
Area 5 Superintendent
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TO: W. Stephen Carr
FROM: Mitzi Merino (W)
DATE: February 25, 2014
RE: Garfield Elementary School Associated Student Body Audit

The Office of Internal Audit identified four (4) findings in the area of ASB that need corrective action. I have reviewed Lali Barhoumi's responses to the recommendations made by the Office of Internal Audit and I am confident she will follow through with the actions outlined.



San Diego Unified School District

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Garfield Elementary
Audit Response to the district – February 23, 2014
ASB – Financial Activities Findings
Period July 1, 2011 through June 30, 2012

To: Office of Internal Audit
W. Stephen Carr
Director, Officer of Internal Audit
Jaime Buensuceso
Operations Auditor
Mitzi Merino
Area Superintendent 5

An audit was conducted at Garfield Elementary School and the first draft was sent to me on January 10, 2014 with a draft of the recent audit. I contacted Jaime Buensuceso and scheduled a face to face meeting on January 17, 2013 at 08:30 a.m.

Jaime reviewed the findings with myself and my Elementary School Assistant.

During this time I explained to Jaime that during the course of timeline July 1, 2011 through June 30, 2012 the former principal was still overseeing Garfield Elementary. Unfortunately, he was absent for many days throughout the year due to family emergencies and illnesses and neglect to oversee the new ESA's ASB procedural work.

As the new principal of Garfield Elementary, I will work closely with the Elementary School Assistant to make sure all procedures are followed and done correctly.

I have read the summaries and will make corrections based on recommendations from the audit department as discussed at our face to face meetings.

I would like to now address Audit Findings Summary

1. Three ASB Deposit Slips Missing

I asked the Elementary Assistant to find these receipt and will look for them. She mention that what transpired throughout the year was that when she made a mistake in a receipt, she would discard erroneously throw it away and used a new one. She will rectify that by not throwing anything of the receipts away and any keep all documents related to monies.

Collection totaling \$752.56

The Elementary School Assistant will find the supporting documents and will file them in a proper place for quick access when needed.

2. Receipts Not used in sequence order

The Elementary School Assistant will use the receipts in order. She will mark the last one that was used so that she will not forget where she left off and continue on to the next receipt.

3. Journal Vouchers

As the new principal I will make sure that all the journal vouchers are signed and entered correctly.

Conclusion – My ESA and I will meet on a weekly basis to go over her monthly responsibilities with ASB. She will ask for support if she is uncertain of next steps in ASB protocol. She will also look through the ASB Manual for additional support.