



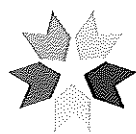
TO: Brenda Campbell, Area Superintendent
FROM: Stephen Carr, Director, Office of Internal Audit *usc*
DATE: July 16, 2012
RE: Review of Transcript Processing at Lincoln High School Audit Report

An Audit titled the "Review of Transcript Processing at Lincoln High School" was conducted for the 2011/2012 school year. The audit report contains information regarding the audit findings and recommendations. Enclosed are copies of the audit report and the response from Lincoln High School management.

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

c: Members, Board of Education
B. Kowba
N. Meyer

email: Members, Audit Committee



Review of Transcript Processing at Lincoln High School

June 13, 2012

Introduction

The San Diego Unified School District (district) Internal Audit Department was asked by the Lincoln High School (Lincoln) administration to review the processing of transcripts at Lincoln. Transcript requests at Lincoln are routed to the Registrar's Office and processed by the Registrar. Contact was made with the Lincoln Lead Principal, Supervising Administration Assistant, and the Registrar. The review began on May 1, 2012 and included an analysis of pending and processed transcript requests for the 2011/2012 school year.

Background

The Registrar position at Lincoln High School was reduced from a full time, 1 FTE position on July 1, 2011 to a .5 FTE position. The Registrar position was subsequently returned to a full time, 1 FTE position on January 30, 2012. The Registrar processes requests for transcripts from current Lincoln students and from students that previously attended Lincoln. There is no charge for processing transcripts for current Lincoln students. Students that previously attended Lincoln are charged a \$3.00 fee payable by cash or money order.

Scope and Objectives

The scope of this review included the analysis of transcript processing for the 2011/2012 school year. The specific objectives of this review were:

- To determine that funds collected for transcript processing are properly accounted for.
- To determine that accurate records are maintained for the processing of transcript requests.
- To determine that internal controls are sufficient to protect district assets.

Findings Summary

1. Cash and money orders received for the processing of transcripts was not stored overnight in the safe, transferred to the financial clerk, or deposited on a daily basis.
2. Receipts were not issued for the funds collected for the processing of transcript requests in violation of district Administrative Procedure 2205.

3. Accurate and complete financial records were not maintained for the collection of funds for the processing of transcript requests.
4. Transcript requests were not processed in a timely manner.

Supplemental Finding

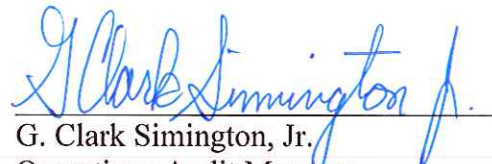
1. Administrative Procedure 6510, "Students, Records" has not been revised since 1995 and is inconsistent with current policy regarding the amount charged for processing transcripts.

Conclusion

Based on the audit scope and analysis performed by Internal Audit, the function of processing transcripts by the Registrar's office at Lincoln was deficient. Cash and money orders collected for processing transcripts were stored in a desk drawer for weeks at a time before these funds were properly deposited. Receipts were not issued for \$593.00 in cash and money orders collected for the processing of transcript requests. Accurate and complete financial records of all funds collected for transcript processing were not maintained. This lack of documentation made it impossible to reconcile the total amount of funds collected to the total amount of funds deposited.



W. Stephen Carr
Director, Office of Internal Audit



G. Clark Simington, Jr.
Operations Audit Manager

Explanation of Findings

- 1. Cash and money orders received for the processing of transcripts was not stored overnight in the safe, transferred to the financial clerk, or deposited on a daily basis.**

Funds collected by the Registrar were not deposited on a daily basis. Cash and money orders were stored in a drawer in the Registrar's office for long periods of time. District Administrative Procedure 2205, "Fiscal Management, Depository of Funds", requires collected funds to be deposited by the Financial Clerk. Funds collected by the Registrar should be transferred daily to the Financial Clerk for deposit. If the Financial Clerk is not available on a particular day, the funds should be transferred the next available day. The following chart details the number of days between deposits made for funds collected for transcript processing:

Deposit Date	Number of Days Since Previous Deposit	Amount of Cash Deposited	Total Amount of Deposit
October 20, 2011	38	77.00	130.60
December 6, 2011	47	42.00	96.00
January 4, 2012	29	51.05	51.05
January 10, 2012	6	0.00	21.60
February 15, 2012	36	108.00	123.00
March 13, 2012	27	81.88	98.88
March 22, 2012	9	9.00	15.00
April 10, 2012	18	9.00	21.00
May 1, 2012	7	6.00	30.00

Timely deposits of collected fees are an important internal control for the processing of transcript requests.

Recommendation

Internal Audit recommends that Lincoln Administration ensures that fees collected for the processing of transcript requests are deposited on a daily basis. Funds not deposited in one day should be deposited the next day.

- 2. Receipts were not issued for the funds collected for the processing of transcript requests in violation of district Administrative Procedure 2205.**

Between September 12, 2011 and May 3, 2012, \$707.13 was deposited into the Associated Student Body (ASB) account for transcript processing. Included in these deposits was cash totaling \$485.93. However, only 37 receipts totaling \$114.00 were processed for the collection of these funds. Receipts were not issued for \$593.13 in cash and money orders that were collected for the processing of transcripts. No receipts for the collection of funds for processing transcripts were issued from July 1, 2011 to March 12, 2012. District Administrative Procedure 2205 states that, "Once a receipt is issued for payment of money into the district fund, that money becomes property of the school district and can be expended only by action of the Board of Education."

The use of receipts is an important internal control for the collection of fees and processing of transcript requests.

Recommendation

Internal Audit recommends that Lincoln administration ensures that receipts are issued for all fees collected for the processing of transcripts.

3. Accurate and complete financial records were not maintained for the collection of funds for the processing of transcript requests.

District Administrative Procedure 2205, "Fiscal Management, Depository of Funds", requires that an accurate daily record of all district monies collected be maintained. Internal Audit conducted a review of the financial records for the processing of transcript requests at Lincoln. Records were not maintained of the amount of funds collected for the processing of transcripts. A reconciliation of the funds collected for the processing of transcripts to the amount of funds deposited to the ASB account for transcripts was not possible because of the lack of documentation. A review of the file of completed transcript requests indicated that only \$312.00 was collected, however \$707.13 was deposited to the ASB account. The only record that funds had been collected was a hand written notation on the transcript request form. The completed transcript request forms were loosely filed alphabetically for the school year. There were 47 transcript request forms with no indication that funds were collected that should have required payment. There was no method to determine if funds were collected for these transcript requests. In addition, required photo identification records were not maintained with mailed transcript request forms.

Proper maintenance of financial records is an important internal control for the collection of fees and processing of transcript requests.

Recommendation

Internal Audit recommends that Lincoln Administration develop procedures to maintain accurate records for the funds collected for the processing of transcript requests. Records of funds collected should match the amount of funds deposited.

4. Transcript requests were not processed in a timely manner.

A review of the work in process at the Lincoln Registrar's office revealed that the Registrar was behind in the processing of transcript requests. There was a total of 75 transcript requests that were waiting to process, were partially processed, or waiting to be filed. The details of these transcript requests are as follows:

	Cash	Money Order	Free	Receipted
Requests Waiting to Process	0	6	33	n/a
Requests Partially Processed	2	14	4	2
Requests Processed and Waiting to File	3	13	0	3

There were six transcript requests that indicated that a second request was made because the first request had not been processed and several requests were more than one month old. There were also 29 pieces of unopened mail on file that remained unopened for the two days that Internal Audit was on site.

Recommendation

Internal Audit recommends that Lincoln Administration adopt procedures to ensure that the Registrar's office completes the processing of transcripts in a timely manner.

Explanation of Supplemental Finding

- 1. Administrative Procedure 6510, "Students, Records" has not been revised since 1995 and is inconsistent with current policy regarding the amount charged for processing transcripts.**

Administrative Procedure 6510 was last revised January 4, 1995. The procedure currently states that schools may collect \$1.00 for the processing of transcript requests. District Administrative Circular number 80 issued during the 2010/2011 school year indicates that school sites may charge up to \$3.00 for processing transcript requests.

Recommendation

Internal Audit recommends that information contained in Administrative Circular number 80 should be used to revise and update Administrative Procedure 6510.



Review of Transcript Processing Response

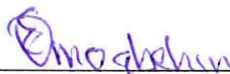
I, Esther Omogbehin, Lead Principal Lincoln High School requested an audit of the registrar's office to ensure all established procedures were followed fidelity.

Based on the finding of the audit, I have established a protocol for checks and balances. Please see below.

1. As soon as we started our assignment in March 2012, we required that all transcript fees collected were submitted to the Financial Clerk to be deposited within 24 hrs.
2. As soon as we discovered that the registrar was not providing receipts, we met with the Financial Clerk and the Registrar to review the district policy regarding the receipts. The registrar received receipts and was informed that she needed to provide everyone receipts as they made their request.
3. The Registrar was instructed to mark all transcript request forms as "PAID" and write down the receipt number that was given to the requester.
4. The Registrar was informed that all requests should be processed in a timely manner. All forms should be processed within five (5) working days.

Explanation of Supplemental Finding Response

1. The school charges \$3.00 per transcript request.



Esther Omogbehin
Lead Principal

____ July 11, 2012 ____
Date