



Washoe County School District

Every Child, By Name And Face, To Graduation

**Report to Audit Committee
Student Activity Funds
For the Year Ended December 31, 2013**

**Internal Audit Department
March 24, 2014**

Student Activity Fund Audits
Year Ended December 31, 2013
Executive Summary

Background

Student activity funds are an essential source of funding at the ninety-three schools operated by the Washoe County School District. Approximately \$17 million in revenue was derived from these activity funds during the school year ended June 30, 2013, as can be seen in the STATISTICAL INFORMATION section of this report.

School Board Policy 3434 states that *“Activity funds of the various schools shall be audited periodically by the internal auditor of the school district and the resulting working papers shall be reviewed by the external auditor.”* The information in this report reflects the results of activity fund audits performed.

Audit Perspective

Present audit status – For the year ended December 31, 2013, the Internal Audit Department performed audits of student activity funds at 5 high schools, 3 middle schools, and 24 elementary schools. These 32 schools represent 34.4% of all schools in the District. Student activity fund revenues generated at these 32 schools totaled \$7,105,494, which represents 42.1% of student activity fund revenues at all schools.

Recent past audits –

The 2013 Audit Plan presented last year projected completion of 29 student activity fund audits. The Internal Audit Department completed an additional three (3) audits not on the Audit Plan either at the request of an incoming principal or due to a special investigation. The Department strives to meet its goals and objectives and will continue to look for opportunities to streamline processes. See below:

Schools Audited	Years Since Last Audit
High Schools	
Damonte Ranch	Five
Gerlach	Six
Reno	Four
Spanish Springs	Five
Sparks	Two
Middle Schools	
Depoali	Five
Incline	Three
Pine	Four
Elementary Schools	
17	Five
5	Six
2	Four

Student Activity Fund Audits
Year Ended December 31, 2013
Executive Summary

External audit coverage – The annual audit performed by Kafoury, Armstong, & Co. is an audit of the District’s financial statements as a whole. The scope of this audit does not include specific detail testing of student activity funds; however, Kafoury, Armstrong, & Co. places reliance on the student activity fund audits performed by the WCSD Internal Audit Department when issuing their opinion on the District’s comprehensive financial statements.

Scope and Objectives

The scope of the student activity fund audits are financial and operational in nature and cover varying dates throughout calendar year 2013. The audits were performed to ensure that financial data was properly recorded, that adequate operational procedures existed over the management of these activity funds, and that district staff was in compliance with appropriate documented procedures, policies and regulations. These audits were conducted in accordance with the Standards for the Professional Practice of Internal Auditing and applicable Government Auditing Standards. Fieldwork was completed by December 31, 2013.

The audit objectives are to provide reasonable assurance that:

- The school’s student activity fund financial records are correctly stated and adequately support the corresponding financial statement prepared for the District as a whole.
- Financial statement reporting requirements are met.
- Student activity fund internal controls are adequate.
- School employees understand and comply with District policies and procedures relative to student activity funds.
- Cash receipts are deposited promptly and are adequately supported by valid documentation.
- Cash disbursements are properly authorized and adequately supported by valid documentation.
- Cash receipts and cash disbursements are accurately recorded in the accounting records.
- Operations are efficient and effective, to achieve a productive work environment.

Summary of Findings

The results of the audits of student activity funds performed for the purposes of this report disclosed no major findings warranting the attention of, or action from, the Superintendent. All audit findings are summarized on the attached reports titled ***Audit Issues Rankings*** and ***SAF Audit Issues Summary***. The detailed reports of audit issues with principal responses are available in Internal Audit Department files.

Student Activity Fund Audits
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Auditor's Opinion

In our opinion, we found the student activity fund financial transactions for the 32 audited schools to be properly recorded and operational procedures to be adequate, in all material respects, for the period under audit. We have identified instances of non-compliance with school district policies, procedures, and regulations relative to student activity funds, as well as certain opportunities to improve the efficiency and effectiveness of certain operating procedures; these are discussed in the individual Reports of Audit Issues prepared for each individual school, which, as previously stated, are available in Internal Audit Department files.

Paula J. Ward

March 24, 2014

Paula J. Ward, CPA
Chief Auditor

Date

**Student Activity Fund Audits
STATISTICAL INFORMATION
FISCAL YEAR 2013**

	Elementary Schools (63)	Middle Schools (14)	High Schools (16)	Other Agency Funds (3)	Total Fiduciary Funds for CAFR
Annual Fiduciary Funds for FY13 (A)	\$ 5,173,947.04	\$ 1,962,359.03	\$ 9,585,767.75	\$ 171,893.44	\$ 16,893,967.26
% of Total Receipts for all Schools	30.6%	11.6%	56.7%	1.0%	100.0%
Annual SAF Receipts for FY13 Audited Schools:					
Damonte Ranch			1,222,152		
Gerlach K-12			4,302		
Reno			1,257,862		
Spanish Springs			1,149,604		
Sparks			586,198		
Depoali		333,539			
Incline		51,031			
Pine		261,647			
Anderson	26,720				
Cannan	67,309				
Diedrichsen	76,225				
Dodson	38,913				
Donner Springs	52,155				
Double Diamond	200,570				
Greenbrae	49,075				
Huffaker	134,037				
Hunsberger	367,976				
Kate Smith	31,979				
Lemmon Valley	89,037				
Lenz	121,755				
Lincoln Park	27,640				
Loder	25,541				
Mathews	15,012				
Melton	169,911				
Piccolo	44,500				
Risley	34,889				
Spanish Springs	209,593				
Taylor	157,828				
Veterans Stem Academy	19,418				
Warner	23,452				
Westergard	224,765				
Whitehead	30,858				
Total Annual Receipts of Audited Schools	\$ 2,239,158	\$ 646,218	\$ 4,220,118		\$ 7,105,494
Annual Receipts of Audited Schools as a % of Total Receipts for all Schools of This Type	43.3%	32.9%	44.0%		
Annual Receipts of Audited Schools as a % of Total Fiduciary Fund Receipts					42.1%

SUMMARY OF AUDIT COVERAGE:

38.1% of **Elementary Schools** were audited (24 of 63 schools). Annual receipts for these 24 schools represent 43.3% of all elementary school receipts.

21.4% of **Middle Schools** were audited (3 of 14 schools). Annual receipts for these three schools represent 32.9% of all middle school receipts.

31.3% of **High Schools** were audited (5 of 16 schools). Annual receipts for these five schools represent 44.0% of all high school receipts.

34.4% of **All Schools** were audited (32 of 93 schools). Annual receipts for these 32 schools represent 42.1% of all schools' receipts.

(A) Source: WCSD Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2013

**Student Activity Fund Audits
As of December 31, 2013
AUDIT ISSUE RANKINGS**

AUDITED SCHOOLS			Number of Audit Issues Found With a Ranking of: See (A) for ranking description			
	School Name	Report Status	1	2	3	TOTALS
High Schools:						
	Damonte Ranch	B		1	3	4
	Gerlach K-12	B		2	2	4
	Reno	B		6	3	9
	Spanish Springs	B		6	4	10
	Sparks	B		6	8	14
Middle Schools:						
	Depoali	B		2	1	3
	Incline	C		5	4	9
	Pine	B		16	6	22
Elementary Schools:						
	Anderson	B		4	8	12
	Cannan	B		3	7	10
	Diedrichsen	B		10	3	13
	Dodson	C	2	12	5	19
	Donner Springs	B		6	7	13
	Double Diamond	B		7	6	13
	Greenbrae	B		7	1	8
	Huffaker	B		5	3	8
	Hunsberger	B		5	6	11
	Kate Smith	B		3	7	10
	Lemmon Valley	B	1	7	3	11
	Lenz	B		4	2	6
	Lincoln Park	B		9	3	12
	Loder	B		7	6	13
	Mathews	B		7	3	10
	Melton	B		3	2	5
	Piccolo	B		9	3	12
	Risley	B		2	2	4
	Spanish Springs	B		5	4	9
	Taylor	B		8	2	10
	Veterans	B	1	8	7	16
	Warner	B		4	4	8
	Westergard	B		2	1	3
	Whitehead	B		3	1	4
			4	184	127	315

**Student Activity Fund Audits
As of December 31, 2013
AUDIT ISSUE RANKINGS**

(A)	Audit Issue Ranking:		
	<p>1 High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.</p> <p>2 Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.</p> <p>3 Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.</p>		
(B)	The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.		
(C)	The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.		
		<i>Paula J. Ward</i>	March 24, 2014
		Paula J. Ward, CPA	Date
		Chief Auditor	

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2013		Audit Issue Ranking	High Schools	Damonte Ranch	Gerlach K-22	Reno	Spanish Springs	Sparks	Middle Schools	Deopoli	Incline	Pine	Elementary Schools	Anderson	Cannan	Diedrichsen	Dodson	Domer Springs	Double Diamond	Greentbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Maxnews	Melton	Piccolo	Ridley	Spanish Springs	Tap/or	Veterans	Warner	Westergard	Whitehead	# of Schools / Occurrences Where Finding is Noted		
Audit Issue	Potential Risk																																							
Administrative Regulations																																								
Personal property was improperly sold by the school to an outside entity.	Non-compliance with NRS requirements. Poor public image. Legal action against WCSD.	3			1																																		1	
Multiple checking accounts existed.	Misappropriation of funds.	1																																					1	
The school secretary does not follow procedures as outlined in the Student Activity Funds Policies and Procedures Manual.	Misstatement of financial records. Misappropriation of funds.	1														1																							1	
Travel expenses and mileage reimbursements were not paid according to WCSD rules and regulations.	Overpayment for expenses above WCSD rates. Negative public image for misuse of student activity funds.	2			1																																		1	
Activity Account Review																																								
Fees collected from students were not expended on the students from whom they were collected.	Diminished fundraising support from the public.	3	1								1		1												1	1				1			1						7	
Instructional and lab fees collected for classroom accounts appeared excessive.	Poor public image.	2																	1																				1	
No documented approval of fundraisers.	Fundraising activities held without the principal's knowledge. Mishandling of profits.	2														1			1																				6	
Recycled Substitute Value Program (RSVP) funds were not made available for use by the appropriate teacher.	Legal action against the School District.	2																	1																				3	
Recycled Substitute Value Program (RSVP) funds were received when a non-teacher was used to cover a classroom.	Misuse of public funds.	3																																					1	
The minimum requirements established for operating a student store were not implemented.	Misappropriation of funds.	2																																					3	
The minimum requirements established for reconciling event tickets were not implemented.	Misappropriations of funds.	2																																						1
Activity advisor was unable to verify ending balances, cash receipts, or cash disbursements on the annual Detail Trial Balance report.	Misstatement of financial records. Misappropriations of funds.	2																																						1
Appropriateness of Expenditures from Restricted Funds																																								
Funds used for purposes other than those intended by the donor or fundraising activity.	Projects a negative image to donors and the general public.	2																																						2
Inappropriate purchase or transfer from restricted funds.	Projects a negative image to donors and the general public.	2																																						2
Override of internal controls related to principal related transactions.	Misappropriation of funds.	1																																						1

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2013		Audit Issue Ranking	High Schools	Damonte Ranch	Gerlach K-22	Reno	Spanish Springs	Sparks	Middle Schools	DePoeali	Incline	Pine	Elementary Schools	Anderson	Cannan	Diederichsen	Dodson	Dommer Springs	Double Diamond	Greentbrae	Huffaker	Humbberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Marxnews	Melton	Piccolo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whithead	# of Schools/Occurrences Where Finding is Noted	
Audit Issue	Potential Risk																																						
Administrative Regulations																																							
Safeguarding of District Assets																																							
Multiple individuals had a master key that unlocks the office and the vault; OR one or more individuals had unrestricted access to the safe.	Misappropriation or theft of funds.	2		1	1	1			1	1			1	1	1	1									1	1	1	1	1			1	1					17	
Multiple individuals have access to funds and unused check stock. A filing cabinet is not considered an adequate place to safeguard funds.	Misappropriation or theft of funds.	2																			1									1								2	
The safe required two separate keys to access. There are no spare keys, in case of absence the safe could not be opened.	Misappropriation or theft of funds.	3																															1					1	
Bank Signature card not updated.	Unauthorized bank withdrawals resulting in misappropriation of funds.	2																										1										1	
Unused check stock was not appropriately safeguarded.	Issuance of unauthorized checks. Misappropriation or theft of funds.	2			1											1																						2	
Funds were not accounted for and ticket rolls were stored in an unlocked cash box.	Misappropriation or theft of funds.	2				1																																1	
General Ledger Accounting																																							
Change fund not recorded as an asset.	Misstatement of financial records.	3	1				1			1			1																						1				5
Petty cash fund not recorded as an asset.	Misstatement of financial records.	3				1																																1	
Certain activity accounts reflected negative balances.	Expenditures exceeding available funds.	2								1			1														1						1					4	
Transfer Forms were not used to evidence transfers/adjustments between activity funds.	Insufficient adequate trail. Unauthorized transfers between activity accounts.	3								1			1	1	1	1	1	1												1								7	
Transfer Authorization Forms did not contain proper authorizing signatures.	Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.	3			1				1			1															1											4	
Transfers made from one activity account to another are not supported by adequate documentation.	Insufficient adequate trail. Unauthorized transfers between activity accounts.	3														1																						1	
The total in the scholarship asset account did not equal the total in individual scholarship activity accounts.	Misstatement of financial records.	2		1																																		1	
Revenues and expenditures were not allocated properly in the school's accounting system.	Misappropriations of funds.	3																1											1								2		
A description of disbursements and/or receipts was not entered in the accounting software.	Insufficient audit trail.	3															1																					2	

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2013		Audit Issue Ranking	High Schools	Damonte Ranch	Gerlach K-22	Reno	Spanish Springs	Sparks	Middle Schools	DePoeali	Incline	Pine	Elementary Schools	Anderson	Cannan	Dietrichsen	Dodson	Donner Springs	Double Diamond	Greentbrae	Huffaker	Humbberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Marxnews	Melton	Piccolo	Ridley	Spanish Springs	Tap/or	Veterans	Warner	Westergard	Whithead	# of Schools/ Occurrences Where Finding is Noted
Audit Issue	Potential Risk																																					
Administrative Regulations																																						
Transactions are recorded incorrectly and untimely in the general ledger.	Misstatement of financial records.	2															1																					1
Not all check numbers were recorded in the accounting system.	Insufficient audit trail.	2								1																												1
Voided checks not maintained.	Misappropriation of funds.	2												1	1																							2
Year end balances were not brought forward to the new year in their intact form but were changed during the start-new-year journal entry.	Insufficient audit trail.	3																			1																	1
Bank adjustments are not documented on Journal Entry Forms and/or referenced directly on the bank statement.	Insufficient audit trail.	3		1	1		1										1																					4
Administrator's approval signature was not evidenced on adjustments.	Misappropriation of funds.	3																							1													1
Monthly Bank Reconciliations/Reporting																																						
Bank Statements were opened by the bookkeeper.	Errors, irregularities, or fraud may be undetected.	2																																				1
Bank reconciliations were not performed in a timely fashion.	Misappropriation of funds.	3											1																									1
Monthly reports were not received by the Business Office by the deadline established in the SAFPPM.	Manipulation of accounting records.	3											1	1	1	1	1								1	1												9
Detail Trial Balance Reports were not provided to the respective account advisors monthly.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	2								1		1	1	1	1	1								1	1													9
Outstanding checks reflected on the bank statement were in excess of six months old.	Funds represented by such checks might be used in an inappropriate and/or unauthorized manner.	3												1			1						1															3
Interest earned on the WCSD Investment cash account was not posted.	Misstatement of financial records.	3											1																									1
The school did not receive cancelled check images with the monthly statement nor did they review the images online.	Checks may be cashed by parties other than the intended recipient.	2													1																							1
Documentation in support of transactions is not retained.	Insufficient audit trail.	1														1																						1
Annual financial reports and electronic data files were not retained.	Insufficient audit trail. Inability to determine whether funds are being used for their intended purpose.	2								1																												1
The Principal's Monthly Checklist was not completed and submitted to the Student Activity Fund Supervisor in the WCSD Business Office.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	3															1																					1

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2013		Audit Issue Ranking																												# of Schools/ Occurrences Where Finding is Noted									
Audit Issue	Potential Risk	High Schools	Damonte Ranch	Gerlach K-22	Reno	Spanish Springs	Sparks	Middle Schools	DePoeali	Incline	Pine	Elementary Schools	Anderson	Cannan	Diederichsen	Dodson	Donner Springs	Double Diamond	Greentbrae	Huffaker	Humbberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Maxnews	Melton	Piccolo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whithead	# of Schools/ Occurrences Where Finding is Noted		
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.					1		1			1		1		1	1			1	1									1	1									12
Cash Receipts																																							
A Bank Deposit Summary form was not completed or was not completed in it's entirety.	Misappropriation of funds.											1			1	1																						3	
Bank deposits were not made in accordance with the timeframes established in the SAFFPM.	Misappropriation of funds.	1				1		1	1	1			1	1	1	1	1	1	2	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	27	
Bank deposits did not reconcile to Closeout Summary Reports or Sales by Receipt Reports.	Misappropriation of funds. Inaccurate record keeping.					1																															1		
Bank deposit slips were not prepared in duplicate.	Misappropriation of funds.																	1					1					1									3		
Bank deposit totals recorded in Blue Bear do not agree to the deposit on the bank statement.	Inadequate audit trail. Errors in accounting of cash receipts.															1																					1		
The preparation of bank deposits does not include adequate documentation evidencing that Cash Count Slips have been totaled or reconciled and agreed to the Bank Deposit Summary Form.	Inadequate audit trail. Errors in accounting of cash receipts.																																				1		
Activity account advisors are not provided receipts timely, if at all.	Misappropriation of funds.															1																					1		
For funds received in the office and checks received through the mail, the secretary received the funds, prepared the Cash Count Slip, issued a receipt, and prepared the bank deposit alone.	Misappropriation of funds.	1				1											1						1				1			1	1						8		
Funds turned in to the office for deposit were not verified or were not receipted in a timely manner.	Misappropriation of funds.																	1					1									1					3		
Funds collected in the classroom were not turned in to the office or were not receipted in a timely basis.	Misappropriation of funds.							1	1	1		1			1	1		1		1	1		1	1	1	1	1		1		1	1	1				16		
Funds collected in the classroom were not turned in to the office in a timely manner.	Misappropriation of funds.			1	1					1				1				1	1				1	1	1		1			1						1	11		
Cash Count Slips were not completed in their entirety.	Insufficient audit trail. Misappropriation of funds.					1			1	1		1							1	1	1				1			1		1		1				1	14		
Cash count slips were not prepared for all cash and checks received.	Misappropriation of funds.							1								1																					2		

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2013		Audit Issue Ranking	High Schools	Damonte Ranch	Gerlach K-22	Reno	Spanish Springs	Sparks	Middle Schools	DePauli	Incline	Pine	Elementary Schools	Anderson	Cannan	Diedrichsen	Dodson	Domer Springs	Double Diamond	Greentbrae	Huffaker	Humbberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Maxnews	Melton	Piccolo	Ridley	Spanish Springs	Tap/or	Veterans	Warner	Westergard	Whithead	# of Schools/ Occurrences Where Finding is Noted	
Audit Issue	Potential Risk																																						
Administrative Regulations																																							
Incoming checks were not restrictively endorsed when received.	Checks obtained by illegal means and cashed by persons other than the intended recipient.	3					1						1	1			1				1	1				1	1	1							1	1			11
Change was made or personal checks were cashed from collected funds.	Misappropriation of funds.	2												1		1																							2
Receipt books were not properly used or maintained.	Insufficient audit trail	3																			1												1					2	
Grant funds in excess of \$10,000 were not deposited with the WCSD Business office.	Funds used for purposes other than those prescribed by the granting entity.	2		1																			1										1					3	
Cash Disbursements																																							
Checks contained only one authorized signature.	Misappropriation of funds.	2																					1																1
Check Authorization Forms were not prepared for disbursements.	Unauthorized expenditures.	2						1	1																														2
Check Authorization Forms did not contain the required approval signatures (activity advisor and administrative approval) or were not completed in their entirety.	Unauthorized expenditures.	2						1									1		1	1	1				1	1	1			1								8	
Checks were made payable to "Cash".	Inappropriate expenditures.	3								1																												1	
Disbursements were not supported by adequate documentation.	Inappropriate expenditures or invalid reimbursements.	2						1						1				1	1		1				1	1	1			1								8	
Individuals authorized to sign checks signed checks made out in their name.	Misappropriation of funds.	2	1													1																						3	
Sales tax was paid to vendors and/or on purchase reimbursements made to individuals.	Unnecessary waste of student activity funds.	2																					1															1	
Gift cards purchased for distribution to non-district employees were not accounted for using the Gift Card Distribution List found in the SAFPPM.	Misappropriation of gift cards.	2		1																																		1	
Gift cards were issued to WCSD staff members without consideration given to the Internal Revenue Tax Code relative to payments to employees.	Exposure to IRS penalties.	3		1	1				1												1	1	1					1									7		
Checks were issued directly to students for scholarship payments in amounts of \$500 or more.	Funds not spent on the purposes for which they were raised. Tax implications .	2					1																														1		
Only two individuals' signatures were found on certain checks and the corresponding Check Authorization Forms.	Misappropriation or theft of funds.	2	1										1	1								1				1	1			1	1						8		
Payments made to non-school district individuals (Independent Contractors) for services rendered.	Exposure to IRS penalties.	3																										1			1						2		

HIGH SCHOOL AUDITS

Student Activity Fund Audits
 STATISTICAL INFORMATION
 FISCAL YEAR 2013

Audited High Schools		<i>Damonte Ranch</i>	<i>Gerlach K-12</i>	<i>Reno</i>	<i>Spanish Springs</i>	<i>Sparks</i>
Statistical Information:						
FY13 Beginning Balance	*	\$ 567,288	\$ 31,777	\$ 818,222	\$ 582,317	\$ 293,532
FY13 Total Receipts	*	1,222,152	4,302	1,257,862	1,149,604	586,198
FY13 Total Disbursements	*	1,149,444	6,522	1,285,971	1,229,824	493,684
FY13 Ending Balance	*	\$ 639,996	\$ 29,557	\$ 790,113	\$ 502,097	\$ 386,047
FY13 Student Enrollment	**	1,479	13	1,684	2,312	1,133
FY13 Receipts Per Student		\$ 826.34	\$ 330.89	\$ 746.95	\$ 497.23	\$ 517.39
FY13 Disbursements Per Student		\$ 777.18	\$ 501.67	\$ 763.64	\$ 531.93	\$ 435.73

* Data Source: WCSD Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013.

** Data Source: NDE 2012 - 2013 Accountability Report - NevadaReportCard.com

**Student Activity Fund Audits
AUDIT ISSUE RANKINGS
DECEMBER 31, 2013**

HIGH SCHOOLS				Number of Audit Issues Found With a Ranking of: See (A) for ranking description			
	School Name	Report Status	1	2	3	Total	
	Damonte Ranch	B		1	3	4	
	Gerlach K-12	B		2	2	4	
	Reno	B		6	3	9	
	Spanish Springs	B		6	4	10	
	Sparks	B		6	8	14	
			0	21	20	41	
(A)	Audit Issue Ranking:						
	<p>1 High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.</p> <p>2 Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.</p> <p>3 Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.</p>						
(B)	The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.						
(C)	The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.						
	<i>Paula J. Ward</i>			March 24, 2014			
	Paula J. Ward, CPA			Date			
	Chief Auditor						

SAF Audit Issues Summary for High Schools

High Schools Audited in 2013		Audit Issue Ranking (A)	High Schools	Damonte Ranch	Gerlach K-12	Reno	Spanish Springs	Sparks	# of Schools/Occurrences Where Finding is Noted
Audit Issue		Potential Risk							
<i>Administrative Regulations</i>									
Personal property was improperly sold by the school to an outside entity.	Non-compliance with NRS requirements. Poor public image. Legal action against WCSD.	3				1			1
Travel expenses and mileage reimbursements were not paid according to WCSD rules and regulations.	Overpayment for expenses above WCSD rates. Negative public image for misuse of student activity funds.	2			1				1
<i>Activity Account Review</i>									
Fees collected from students were not expended on the students from whom they were collected.	Diminished fundraising support from the public.	3	1						1
The minimum requirements established for operating a student store were not implemented.	Misappropriation of funds.	2				1			1
The minimum requirements established for reconciling event tickets were not implemented.	Misappropriations of funds.	2				1			1
<i>Safeguarding of District Assets</i>									
Multiple individuals had a master key that unlocks the office and the vault; OR one or more individuals had unrestricted access to the safe.	Misappropriation or theft of funds.	2			1	1	1		3
Unused check stock was not appropriately safeguarded.	Issuance of unauthorized checks. Misappropriation or theft of funds.	2				1			1

SAF Audit Issues Summary for High Schools

High Schools Audited in 2013		Audit Issue Ranking (A)	High Schools	Damonte Ranch	Gerlach K-12	Reno	Spanish Springs	Sparks	# of Schools/Occurrences Where Finding is Noted
Audit Issue	Potential Risk								
Funds were not accounted for and ticket rolls were stored in an unlocked cash box. <i>General Ledger Accounting</i>	Misappropriation or theft of funds.	2					1		1
Change fund not recorded as an asset.	Misstatement of financial records.	3	1				1		2
Petty cash fund not recorded as an asset.	Misstatement of financial records.	3					1		1
Transfer Authorization Forms did not contain proper authorizing signatures.	Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.	3				1			1
The total in the scholarship asset account did not equal the total in individual scholarship activity accounts.	Misstatement of financial records.	2			1				1
Bank adjustments are not documented on Journal Entry Forms and/or referenced directly on the bank statement. <i>Monthly Bank Reconciliations/Reporting</i>	Insufficient audit trail.	3			1		1		2
Questions were answered incorrectly on the Principal's Monthly Checklist.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	2					1		1

SAF Audit Issues Summary for High Schools

High Schools Audited in 2013											Audit Issue Ranking (A)					# of Schools/Occurrences Where Finding is Noted		
Audit Issue	Potential Risk																	
<i>Cash Receipts</i>																		
Bank deposits were not made in accordance with the timeframes established in the SAFPPM.	Misappropriation of funds.	2	1							1				2				
Bank deposits did not reconcile to Closeout Summary Reports or Sales by Receipt Reports.	Misappropriation of funds. Inaccurate record keeping.	2								1				1				
For funds received in the office and checks received through the mail, the secretary received the funds, prepared the Cash Count Slip, issued a receipt, and prepared the bank deposit alone.	Misappropriation of cash collected.	3		1						1				2				
Funds collected in the classroom were not turned in to the office in a timely manner.	Misappropriation of funds.	2				1		1						2				
Cash Count Slips were not completed in their entirety.	Insufficient audit trail. Misappropriation of funds.	3								1				1				
Grant funds in excess of \$10,000 were not deposited with the WCSD Business office.	Funds used for purposes other than those prescribed by the granting entity.	2				1								1				
<i>Cash Disbursements</i>																		
Individuals authorized to sign checks signed checks made out in their name.	Misappropriation of funds.	2		1										1				

SAF Audit Issues Summary for High Schools

High Schools Audited in 2013		Audit Issue Ranking (A)	High Schools	Damonte Ranch	Gerlach K-12	Reno	Spanish Springs	Sparks	# of Schools/Occurrences Where Finding is Noted
Audit Issue	Potential Risk								
Gift cards purchased for distribution to non-district employees were not accounted for using the Gift Card Distribution List found in the SAFPPM.	Misappropriation of gift cards.	2				1			1
Gift cards were issued to WCSD staff members without consideration given to the Internal Revenue Tax Code relative to payments to employees.	Exposure to IRS penalties.	3			1		1		2
Checks were issued directly to students for scholarship payments in amounts of \$500 or more.	Funds not spent on the purposes for which they were raised. Tax implications.	2					1		1
Only two individuals' signatures were found on certain checks and the corresponding Check Authorization Forms.	Misappropriation or theft of funds.	2		1					1
An excessive amount of the Principal's Discretionary Fund was spent on school staff incentive awards and office lunches.	Projects a negative image to taxpayers and the general public.	3			1	1			2
Voided checks were not properly defaced.	Checks may be altered by someone who might obtain such checks in an illegal manner.	3	1			1	1		3
A Purchasing Card (Pcard) log was not maintained, nor were Check Authorizations forms used for Pcard transactions.	Misappropriation or mishandling of purchasing card.	3		1					1

MIDDLE SCHOOL AUDITS

Student Activity Fund Audits
 STATISTICAL INFORMATION
 FISCAL YEAR 2013

Audited Middle Schools		<i>Deपोali</i>	<i>Incline</i>	<i>Pine</i>
Statistical Information:				
FY13 Beginning Balance	*	\$ 127,814	\$ 107,605	\$ 70,441
FY13 Total Receipts	*	333,539	51,031	261,647
FY13 Total Disbursements	*	337,075	41,953	271,426
FY13 Ending Balance	*	\$ 124,279	\$ 116,683	\$ 60,662
FY13 Student Enrollment	**	1,200	212	960
FY13 Receipts Per Student		\$ 277.95	\$ 240.71	\$ 272.55
FY13 Disbursements Per Student		\$ 280.90	\$ 197.89	\$ 282.74

* Data Source: WCS D Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013.

** Data Source: NDE 2012-2013 Accountability Report - NevadaReportCard.com

Student Activity Fund Audits
AUDIT ISSUE RANKINGS
DECEMBER 31, 2013

MIDDLE SCHOOLS				Number of Audit Issues Found With a Ranking of: See (A) for ranking description			
	School Name	Report Status	1	2	3	Total	
	Depoali	B		2	1	3	
	Incline	C		5	4	9	
	Pine	B		16	6	22	
			0	23	11	34	
(A)	Audit Issue Ranking:						
	<p>1 High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.</p> <p>2 Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.</p> <p>3 Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.</p>						
(B)	The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.						
(C)	The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.						
	<i>Paula J. Ward</i>			March 24, 2014			
	Paula J. Ward, CPA			Date			
	Chief Auditor						

SAF Audit Issues Summary for Middle Schools

Middle Schools Audited in 2013

Audit Issue Ranking (A)
Middle Schools
 Depoali
 Incline
 Pine
 # of Schools/Occurrences Where Finding is Noted

Audit Issue

Potential Risk

Transfer Forms were not used to evidence transfers/adjustments between activity funds.	Insufficient adequate trail. Unauthorized transfers between activity accounts.	3			1		1		
Transfer Authorization Forms did not contain proper authorizing signatures.	Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.	3		1			1		
Not all check numbers were recorded in the accounting system.	Insufficient audit trail.	2			1		1		
Bank adjustments are not documented on Journal Entry Forms and/or referenced directly on the bank statement.	Insufficient audit trail.	3		1			1		
Monthly Bank Reconciliations/Reporting									
Detail Trial Balance Reports were not provided to the respective account advisors monthly.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors or omissions.	2			1		1		
Annual financial reports and electronic data files were not retained.	Insufficient audit trail. Inability to determine whether funds are being used for their intended purpose.	2			1		1		
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	2			1		1		
Cash Receipts									
Bank deposits were not made in accordance with the timeframes established in the SAFPPM.	Misappropriation of funds.	2	1	1	1		3		

SAF Audit Issues Summary for Middle Schools

Middle Schools Audited in 2013

Audit Issue Ranking (A)
Middle Schools
 Depoali
 Incline
 Pine
 # of Schools/Occurrences Where Finding is Noted

Audit Issue

Potential Risk

For funds received in the office and checks received through the mail, the secretary received the funds, prepared the Cash Count Slip, issued a receipt, and prepared the bank deposit alone.	Misappropriation of cash collected.	3	1				1	
Funds collected in the classroom were not turned in to the office or were not receipted in a timely basis.	Misappropriation of funds.	2	1	1	1		3	
Funds collected in the classroom was not turned in to the office in a timely manner.	Misappropriation of funds.	2			1		1	
Cash Count Slips were not completed in their entirety.	Insufficient audit trail. Misappropriation of funds.	3		1	1		2	
Cash count slips were not prepared for all cash and checks received.	Misappropriation of funds.	2		1			1	
Incoming checks were not restrictively endorsed when received.	Checks obtained by illegal means and cashed by persons other than the intended recipient.	3		1			1	
<i>Cash Disbursements</i>								
Check Authorization Forms were not prepared for disbursements.	Unauthorized expenditures.	2		1	1		2	

SAF Audit Issues Summary for Middle Schools

Middle Schools Audited in 2013

Audit Issue Ranking (A)
Middle Schools
 Depoali
 Incline
 Pine
 # of Schools/Occurrences Where Finding is Noted

Audit Issue

Potential Risk

Check Authorization Forms did not contain the required approval signatures (activity advisor and administrative approval) or were not completed in their entirety.	Unauthorized expenditures.	2			1	1		
Disbursements were not supported by adequate documentation.	Inappropriate expenditures or invalid reimbursements.	2			1	1		
Gift cards were issued to WCSD staff members without consideration given to the Internal Revenue Tax Code relative to payments to employees.	Exposure to IRS penalties.	3			1	1		
Voided checks were not properly defaced.	Checks may be altered by someone who might obtain such checks in an illegal manner.	3			1	1		
Total Audit Issues			3	9	22	34		
# of recurring issues			0	1	14	15		
Report Status (B) (C)			B	C	B			

(A) Audit Issue Ranking:

- 1** High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.
- 2** Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
- 3** Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.

SAF Audit Issues Summary for Middle Schools

Middle Schools Audited in 2013

Audit Issue Ranking (A)
Middle Schools
 Depoali
 Incline
 Pine
of Schools/Occurrences Where Finding is Noted

Audit Issue

Potential Risk

- (B) The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.
- (C) The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12-18 months to determine that appropriate action has been taken.

ELEMENTARY SCHOOL AUDITS

Student Activity Fund Audits
 STATISTICAL INFORMATION
 FISCAL YEAR 2013

Audited Elementary Schools									
	Anderson	Cannan	Diedrichsen	Dodson	Donner Springs	Double Diamond	Greenbrae		
Statistical Information:									
Beginning Balance	*	\$ 22,439	\$ 10,150	\$ 28,914	\$ 13,690	\$ 12,240	\$ 43,337	\$ 14,605	
Total Receipts	*	26,720	67,309	76,225	38,913	52,155	200,570	49,075	
Total Disbursements	*	28,201	52,932	65,509	35,135	42,528	211,261	45,458	
Ending Balance	*	\$ 20,958	\$ 24,527	\$ 39,629	\$ 17,468	\$ 21,867	\$ 32,646	\$ 18,222	
Student Enrollment	**	435	694	389	417	648	778	419	
Receipts Per Student		\$61.43	\$96.99	\$195.95	\$93.32	\$80.49	\$257.80	\$117.12	
Disbursements Per Student		\$64.83	\$76.27	\$168.40	\$84.26	\$65.63	\$271.54	\$108.49	
*	Data Source: WCSO Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013								
**	Data Source: NDE 2012/2013 Accountability Report - NevadaReportCard.com								

Student Activity Fund Audits
 STATISTICAL INFORMATION
 FISCAL YEAR 2013

Audited Elementary Schools	<i>Huffaker</i>	<i>Hunsberger</i>	<i>Kate Smith</i>	<i>Lemmon Valley</i>	<i>Lenz</i>	<i>Lincoln Park</i>	<i>Loder</i>	<i>Mathews</i>
Statistical Information:								
Beginning Balance	\$ 43,670	\$ 44,727	\$ 14,014	\$ 19,393	\$ 29,370	\$ 14,820	\$ 7,221	\$ 21,248
Total Receipts	134,037	367,976	31,979	89,037	121,755	27,640	25,541	15,012
Total Disbursements	140,591	353,938	29,301	88,917	113,364	26,867	24,586	14,438
Ending Balance	\$ 37,116	\$ 58,765	\$ 16,692	\$ 19,513	\$ 37,761	\$ 15,594	\$ 8,177	\$ 21,822
Student Enrollment	537	804	308	603	535	380	563	752
Receipts Per Student	\$249.60	\$457.68	\$103.83	\$147.66	\$227.58	\$72.74	\$45.37	\$19.96
Disbursements Per Student	\$261.81	\$440.22	\$95.13	\$147.46	\$211.90	\$70.70	\$43.67	\$19.20
* Data Source: WCSD Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013								
** Data Source: NDE 2012/2013 Accountability Report - NevadaReportCard.com								

Student Activity Fund Audits
 STATISTICAL INFORMATION
 FISCAL YEAR 2013

Audited Elementary Schools	Melton	Picollo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead
Statistical Information:									
Beginning Balance	\$30,602	\$52,871	\$12,302	\$64,216	\$65,219	\$20,912	\$20,996	\$33,869	\$26,651
Total Receipts	169,911	44,500	34,889	209,593	157,828	19,418	23,452	224,765	30,858
Total Disbursements	168,556	67,257	33,186	214,355	163,918	24,733	24,145	210,369	37,365
Ending Balance	\$31,957	\$30,114	\$14,006	\$59,455	\$59,130	\$15,598	\$20,304	\$48,265	\$20,145
Student Enrollment	559	106	495	794	604	411	405	690	431
Receipts Per Student	\$303.96	\$419.81	\$70.48	\$263.97	\$261.30	\$47.25	\$57.91	\$325.75	\$71.60
Disbursements Per Student	\$301.53	\$634.50	\$67.04	\$269.97	\$271.39	\$60.18	\$59.62	\$304.88	\$86.69
* Data Source: WCSD Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013									
** Data Source: NDE 2012/2013 Accountability Report - NevadaReportCard.com									

**Student Activity Fund Audits
AUDIT ISSUE RANKINGS
DECEMBER 31, 2013**

ELEMENTARY SCHOOLS				Number of Audit Issues Found With a Ranking of: See (A) for ranking description			
	School Name	Report Status	1	2	3	Total	
	Anderson	B		4	8	12	
	Cannan	B		3	7	10	
	Diedrichsen	B		10	3	13	
	Dodson	C	2	12	5	19	
	Donner Springs	B		6	7	13	
	Double Diamond	B		7	6	13	
	Greenbrae	B		7	1	8	
	Huffaker	B		5	3	8	
	Hunsberger	B		5	6	11	
	Kate Smith	B		3	7	10	
	Lemmon Valley	B	1	7	3	11	
	Lenz	B		4	2	6	
	Lincoln Park	B		9	3	12	
	Loder	B		7	6	13	
	Mathews	B		7	3	10	
	Melton	B		3	2	5	
	Picollo	B		9	3	12	
	Risley	B		2	2	4	
	Spanish Springs	B		5	4	9	
	Taylor	B		8	2	10	
	Veterans	B	1	8	7	16	
	Warner	B		4	4	8	
	Westergard	B		2	1	3	
	Whitehead	B		3	1	4	
			4	140	96	240	

(A) Audit Issue Ranking:

- 1** High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.
- 2** Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
- 3** Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.

(B) The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12-18 months to determine that appropriate action has been taken.

(C) The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12-18 months to determine that appropriate action has been taken.

	<i>Paula J. Ward</i>		March 24, 2014
	Paula J. Ward, CPA		Date
	Chief Auditor		

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking	Elementary Schools (A)	Anderson	Cannan	Diedrichsen	Dodson	Donner-Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Piccolo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead	# of Schools / Occurrences Where Finding is Noted
Audit Issue	Potential Risk																											
Administrative Regulations																												
Multiple checking accounts existed.	Misappropriation of funds.	1																					1				1	
The school secretary does not follow procedures as outlined in the Student Activity Funds Policies and Procedures Manual.	Misstatement of financial records. Misappropriation of funds.	1			1																						1	
Activity Account Review																												
Fees collected from students were not expended on the students from whom they were collected.	Diminished fundraising support from the public.	3	1									1	1							1		1					5	
Instructional and lab fees collected for classroom accounts appeared excessive.	Poor public image.	2				1																					1	
No documented approval of fundraisers.	Fundraising activities held without the principal's knowledge. Mishandling of profits.	2	1				1							1						1			1				5	
Recycled Substitute Value Program (RSVP) funds were not made available for use by the appropriate teacher.	Legal action against the School District.	2					1								1	1											3	
Recycled Substitute Value Program (RSVP) funds were received when a non-teacher was used to cover a classroom.	Misuse of public funds.	3										1															1	
The minimum requirements established for operating a student store were not implemented.	Misappropriation of funds.	2																	1								1	
Appropriateness of Expenditures from Restricted Funds																												
Funds used for purposes other than those intended by the donor or fundraising activity.	Projects a negative image to donors and the general public.	2													1										1		2	
Inappropriate purchase or transfer from restricted funds.	Projects a negative image to donors and the general public.	2										1															1	
Override of internal controls related to principal related transactions.	Misappropriation of funds.	1										1															1	

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking	Elementary Schools (A)																	# of Schools/ Occurrences Where Finding is Noted											
Audit Issue	Potential Risk		Anderson	Cannan	Diedrichsen	Dodson	Donner Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Piccolo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead					
A description of disbursements and/or receipts was not entered in the accounting software.	Insufficient audit trail.	3				1					1																	2			
Transactions are recorded incorrectly and untimely in the general ledger.	Misstatement of financial records.	2			1																						1				
Voided checks not maintained.	Misappropriation of funds.	2	1	1																							2				
Year end balances were not brought forward to the new year in their intact form but were changed during the start-new-year journal entry.	Insufficient audit trail.	3								1																	1				
Bank adjustments are not documented on Journal Entry Forms and/or referenced directly on the bank statement.	Insufficient audit trail.	3				1																					1				
Administrator's approval signature was not evidenced on adjustments.	Misappropriation of funds.	3													1												1				
Monthly Bank Reconciliations/Reporting																															
Bank Statements were opened by the bookkeeper.	Errors, irregularities, or fraud may be undetected.	2																			1						1				
Bank reconciliations were not performed in a timely fashion.	Misappropriation of funds.	3	1																								1				
Monthly reports were not received by the Business Office by the deadline established in the SAFPPM.	Manipulation of accounting records.	3	1	1	1	1	1								1	1						1	1				9				
Detail Trial Balance Reports were not provided to the respective account advisors monthly.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	2	1	1	1		1						1		1							1	1				8				
Outstanding checks reflected on the bank statement were in excess of six months old.	Funds represented by such checks might be used in an inappropriate and/or unauthorized manner.	3		1				1				1															3				
Interest earned on the WCSD Investment cash account was not posted.	Misstatement of financial records.	3	1																								1				

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking	Elementary Schools (A)																		# of Schools / Occurrences Where Finding is Noted										
Audit Issue	Potential Risk		Anderson	Cannan	Diedrichsen	Dodson	Donner-Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Piccollo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead					
The school did not receive cancelled check images with the monthly statement nor did they review the images online.	Checks may be cashed by parties other than the intended recipient.	2		1																								1			
Documentation in support of transactions is not retained.	Insufficient audit trail.	1			1																							1			
The Principal's Monthly Checklist was not completed and submitted to the Student Activity Fund Supervisor in the WCSD Business Office.	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	3			1																							1			
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds. Undetected transaction errors.	2	1	1	1	1		1	1									1	1		1	1					10				
Cash Receipts																															
A Bank Deposit Summary form was not completed or was not completed in it's entirety.	Misappropriation of funds.	3	1		1	1																						3			
Bank deposits were not made in accordance with the timeframes established in the SAFPPM.	Misappropriation of funds.	2	1	1	1	1	1	1	2	1	1		1	1	1	1	1	1		1	1	1	1	1	1	1		22			
Bank deposit slips were not prepared in duplicate.	Misappropriation of funds.	2						1						1				1										3			
Bank deposit totals recorded in Blue Bear do not agree to the deposit on the bank statement.	Inadequate audit trail. Errors in accounting of cash receipts.	2			1																							1			
The preparation of bank deposits does not include adequate documentation evidencing that Cash Count Slips have been totaled or reconciled and agreed to the Bank Deposit Summary Form.	Inadequate audit trail. Errors in accounting of cash receipts.	2			1																							1			
Activity account advisors are not provided receipts timely, if at all.	Misappropriation of funds.	2			1																							1			

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking (A)	Elementary Schools	Anderson	Cannan	Diedrichsen	Dodson	Donner-Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Piccollo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead	# of Schools / Occurrences Where Finding is Noted
Audit Issue	Potential Risk																											
For funds received in the office and checks received through the mail, the secretary received the funds, prepared the Cash Count Slip, issued a receipt, and prepared the bank deposit alone.	Misappropriation of funds.	3					1					1						1			1	1						5
Funds turned in to the office for deposit were not verified or were not receipted in a timely manner.	Misappropriation of funds.	2							1					1									1					3
Funds collected in the classroom were not turned in to the office or were not receipted in a timely basis.	Misappropriation of funds.	2	1		1	1		1		1	1		1		1		1	1				1		1	1			13
Funds collected in the classroom were not turned in to the office in a timely manner.	Misappropriation of funds.	2		1			1	1				1		1		1						1				1		8
Cash Count Slips were not completed in their entirety.	Insufficient audit trail. Misappropriation of funds.	3	1		1	1			1	1	1				1					1	1	1				1		11
Cash count slips were not prepared for all cash and checks received.	Misappropriation of funds.	2			1																							1
Incoming checks were not restrictively endorsed when received.	Checks obtained by illegal means and cashed by persons other than the intended recipient.	3		1	1			1		1	1				1	1	1							1	1			10
Change was made or personal checks were cashed from collected funds.	Misappropriation of funds.	2			1		1																					2
Receipt books were not properly used or maintained.	Insufficient audit trail	3								1													1					2
Grant funds in excess of \$10,000 were not deposited with the WCSD Business office.	Funds used for purposes other than those prescribed by the granting entity.	2											1										1					2
Cash Disbursements																												
Checks contained only one authorized signature.	Misappropriation of funds.	2										1																1

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking (A)	Elementary Schools	Anderson	Cannan	Diedrichsen	Dodson	Donner-Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Piccollo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead	# of Schools/ Occurrences Where Finding is Noted
Audit Issue	Potential Risk																											
Check Authorization Forms did not contain the required approval signatures (activity advisor and administrative approval) or were not completed in their entirety.	Unauthorized expenditures.	2						1	1	1					1	1	1					1						7
Checks were made payable to "Cash".	Inappropriate expenditures.	3	1																									1
Disbursements were not supported by adequate documentation.	Inappropriate expenditures or invalid reimbursements.	2		1				1	1			1		1		1						1						7
Individuals authorized to sign checks signed checks made out in their name.	Misappropriation of funds.	2				1						1																2
Sales tax was paid to vendors and/or on purchase reimbursements made to individuals.	Unnecessary waste of student activity funds.	2										1																1
Gift cards purchased for distribution to non-district employees were not accounted for using the Gift Card Distribution List found	Misappropriation of gift cards.	2																										0
Gift cards were issued to WCSD staff members without consideration given to the Internal Revenue Tax Code relative to	Exposure to IRS penalties.	3										1	1	1							1							4
Only two individuals' signatures were found on certain checks and the corresponding Check Authorization Forms.	Misappropriation or theft of funds.	2	1	1								1				1		1			1	1						7
Payments made to non-school district individuals (Independent Contractors) for services rendered.	Exposure to IRS penalties.	3																1				1						2
Payments made to Washoe County School District employees for services rendered.	Exposure to IRS penalties.	2																				1						1
An excessive amount of the Principal's Discretionary Fund was spent on school staff incentive awards and office lunches.	Projects a negative image to taxpayers and the general public.	3	1	1								1		1	1	1				1		1						8

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2013		Audit Issue Ranking (A)																				# of Schools/ Occurrences Where Finding is Noted							
Audit Issue	Potential Risk	Anderson	Cannan	Diedrichsen	Dodson	Donner Springs	Double Diamond	Greenbrae	Huffaker	Hunsberger	Kate Smith	Lemmon Valley	Lenz	Lincoln Park	Loder	Mathews	Melton	Picollo	Risley	Spanish Springs	Taylor	Veterans	Warner	Westergard	Whitehead	# of Schools	Occurrences	Where Finding is Noted	
Voided checks were not properly defaced.	Checks may be altered by someone who might obtain such checks in an illegal manner.	3			1		1		1	1			1					1									6		
Purchases of fixed assets in amounts of \$1000.00 or more were made directly from vendors, bypassing the Business Plus accounting system and, consequently, WCSD's inventory tagging process.	Items being taken by a District employee. Uninsurable loss.	3						1																			1		
A Purchasing Card (Pcard)log was not maintained, nor were Check Authorizations forms used for Pcard transactions.	Misappropriation or mishandling of purchasing card.	3	1	1																							2		
Purchasing card transactions were not approved by the administrator.	Inappropriate disbursements without the knowledge and approval of responsible parties.	2												1						1							2		
Check stock contains only one signature line.	Collusion. Misappropriation of funds.	3																				1					1		
Total Audit Issues			12	10	13	19	13	13	8	8	11	10	11	6	12	13	10	5	12	4	9	10	16	8	3	4	240		
# of recurring issues			1	4	4	4	4	5	2	2	4	5	6	1	2	4	3	1	4	0	2	0	8	2	0	1	69		
Report Status (B) (C)			B	B	B	C	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B			

- (A) Audit Issue Ranking:**
- 1** High Exposure to Loss. Issue is serious and deserves the attention of the Area Superintendent. Corrective action is required within six months.
 - 2** Moderate Exposure to Loss. Issue to be reported to and corrected by the school Principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
 - 3** Low Exposure to Loss. Issue is to be reported to the Principal and should be resolved in due manner. The issue is a minor risk to student activity funds and management of such is generally efficient and effective.
- (B)** The school has provided a written response to each audit issue noted including the corrective action to be taken, if applicable. The response is deemed acceptable and addresses all issues adequately. A follow-up to the audit response will be performed in 12 - 18 months to determine that appropriate action has been taken.
- (C)** The school has yet to provide a written response to each audit issue noted including the corrective action to be taken, if applicable. Upon receipt, the response will be reviewed to determine that all issues are adequately addressed. A follow-up to the audit response will be performed in 12-18 months to determine that appropriate action has been taken.