



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, 2015**

**Internal Audit Department
March 23, 2016**

Student Activity Fund Audits
Year Ended December 31, 2015
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, 2015, 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

For the year ended December 31, 2015, the Internal Audit Department performed audits of student activity funds at five (5) high schools, two of which are options schools, seven (7) middle schools, and five (5) elementary schools. These seventeen (17) schools represent 18.3% of all schools in the District. Student activity fund revenues generated at these seventeen schools totaled approximately three million dollars, which represents 17.4% of student activity fund revenues at all schools.

The 2015 Audit Plan presented last year projected completion of 19 student activity fund audits. The Internal Audit Department completed two less than the plan stated. 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
AACT High School	Three
Innovations High School	Three
North Valleys High School	Three
TMCC High School	Three
Wooster High School	Three
Billinghurst Middle School	Four
Dilworth Middle School	Three
Shaw Middle School	Three
Sparks Middle School	Three
Swope Middle School	Three
Traner Middle School	Four
Vaughn Middle School	Three
Corbett Elementary School	Four
Duncan Elementary School	Six
Dunn Elementary School	Five
Moss Elementary School	Five
Towles Elementary School	Five

Student Activity Fund Audits
Year Ended December 31, 2015
Executive Summary

External Audit Coverage – The annual audit performed by Eide Bailly LLP, Certified Public Accountants, 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, Eide Bailly LLP places reliance on the student activity fund audits performed by the WCSO 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 2015. 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 Government Auditing Standards, using guidance from the Standards for the Professional Practice of Internal Auditing. Fieldwork was completed by December 31, 2015.

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
Year Ended December 31, 2015
Executive Summary

AUDITOR'S OPINION

In our opinion, we found the student activity fund financial transactions for the seventeen 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 23, 2016

Paula J. Ward, CPA
Chief Auditor

Date

**FY15 Student Activity Fund Audits
STATISTICAL INFORMATION**

	Elementary Schools (63)	Middle Schools (14)	High Schools (16)	Other Agency Funds (3)	Total Fiduciary Funds for CAFR
Annual Fiduciary Funds for FY14 (A)	5,169,137	2,189,112	9,677,276	123,445	17,158,970
% of Total Receipts for all Schools	30.1%	12.8%	56.4%	0.7%	100.0%
Annual SAF Receipts for FY15 Audited Schools:					
AACT			212,827		
Innovations			26,919		
North Valleys			761,620		
TMCC			53,839		
Wooster			820,417		
Billinghurst		258,702			
Dilworth		65,790			
Shaw		111,011			
Sparks		154,638			
Swope		217,208			
Traner		42,637			
Vaughn		42,637			
Corbett	23,836				
Duncan	36,775				
Dunn	74,349				
Moss	39,863				
Towles	38,188				
Total Annual Receipts of Audited Schools	<u>\$ 213,011</u>	<u>\$ 892,622</u>	<u>\$ 1,875,622</u>		<u>\$ 2,981,254</u>
Annual Receipts of Audited Schools as a % of Total Receipts for all Schools of This Type	<u>4.1%</u>	<u>40.8%</u>	<u>19.4%</u>		
Annual Receipts of Audited Schools as a % of Total Fiduciary Fund Receipts					<u>17.4%</u>

SUMMARY OF AUDIT COVERAGE:

7.9% of **Elementary Schools** were audited (5 of 63 schools). Annual receipts for these four schools represent 4.1% of all elementary school receipts.

50% of **Middle Schools** were audited (7 of 14 schools). Annual receipts for these five schools represent 40.8% of all middle school receipts.

31.3% of **High Schools** were audited (5 of 16 schools). Annual receipts for these three schools represent 19.4% of all high school receipts.

18.3% of **All Schools** were audited (17 of 93 schools). Annual receipts for these 17 schools represent 17.4% of all schools' receipts.

(A) Source: WCSD Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015

**Student Activity Fund Audits
As of December 31, 2015
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/Options Schools:					
AACT	B		8	8	16
Innovations	B		5	6	11
North Valleys	B		10	2	12
TMCC	B		3	2	5
Wooster	B		14	9	23
Middle Schools:					
Billinghurst	B		12	10	22
Dilworth	C		10	8	18
Shaw	B		8	4	12
Sparks	B		5	5	10
Swope	B		4	5	9
Traner	B		6	4	10
Vaughn	B		9	9	18
Elementary Schools:					
Corbett	B		5	5	10
Duncan	B		9	7	16
Dunn	B		2	3	5
Moss	B		9	4	13
Towles	B		5	2	7
Total					217
(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. Audit issues may be followed-up during interim contacts within 12-18 months after the audit.					
(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. Material issues may be followed-up during interim contacts within 12-18 months after the audit.					
			<i>Paula J. Ward, CPA</i>		<i>March 23, 2016</i>
			Paula J. Ward, Chief Auditor		Date

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

Administrative Regulations

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
A District employee is an authorized signor on outside PTA/PTO checking account.	Noncompliance with requirements.	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							4
Money collected from students for classroom/lab fees was not spent on those students nor made available for the operational cost of providing the materials or services to the students.	Students don't get the full experience from the activity/class for which they paid.	3																				1

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary Schools	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

0 The fees charged to students for P.E. uniforms exceed cost.	Profiting from student fees projects a negative image to taxpayers and the general public.	3	1			1		1				1			1						5
The fees charged to students for team clothing exceed cost.	Profiting from student fees projects a negative image to taxpayers and the general public.	3						1				1									2
A "principal fund" fee is charged to each student and is deposited in to the Principal's Fund.	Misuse of Student Activity Funds. 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											3
Fundraiser profit/loss analysis is not performed.	Misappropriation of funds.	2			1	1															2
Revenues and expenditures were not allocated properly in the school's accounting system.	Misappropriation of funds.	3	1												1						2

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

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
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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				13
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
Bank Signature card not updated.	Unauthorized bank withdrawals resulting in misappropriation of funds.	2													1							1

SAF Audit Issues Summary for ALL Schools

**Schools Audited
in 2015**

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

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					2
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								1					3
Questions were not answered or answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds resulting in the misappropriation of funds.	3		1		1				1	1	1		1	1	1	1	1	1		11	
Requested documents were not provided as required.	Insufficient audit trail.	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	1	1	1	1	1	1	1	1	1	1	1	1	1	1		17	

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

The registrar/secretary or bookkeeper verifies funds alone.	Misappropriation of funds.	2			1					1	1	1	1			1		1			7
The secretary verifies funds alone. At times, funds are left unsecured on the secretary's desk.	Misappropriation of funds.	2						1													1
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	1		1		1	1					1			9
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 were not turned in to the office in a timely manner.	Misappropriation of funds.	2			1	1		1		1			1		1						6
Cash Count Slips were not used.	Misappropriation of funds.	2	1																		1

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)
 High Schools
 AACT
 Innovations High School
 North Valleys High School
 TNCC High School
 Wooster High School
 Middle Schools
 Billingshurst Middle School
 Dilworth Middle School
 Shaw Middle School
 Sparks Middle School
 Swope Middle School
 Trainer Middle School
 Vaughn Middle School
 Elementary Schools
 Corbett Elementary School
 Duncan Elementary School
 Dunn Elementary School
 Moss Elementary School
 Towles Elementary School
 # of Schools/Occurrences Where Finding is Noted

Audit Issue

Potential Risk

Cash Count Slips were not completed in their entirety.	Lack of adequate audit trail resulting in misappropriation of funds.	3	1						1	1	1			1					1			6	
Cash Count slips were either not used or were not completed in their entirety when used.	Lack of adequate audit trail resulting in misappropriation of funds.	2							1													1	
Incoming checks were not restrictively endorsed when received.	Checks could be obtained by illegal means and cashed by persons other than the intended recipient.	3	1							1	1			1								4	
Change was made or personal checks were cashed from collected funds.	Misappropriation of funds.	2	1																			1	
Receipts were dated incorrectly and/or Cash Count Slips were completed after receipts were issued.	Banking errors. Misappropriation of funds.	3																	1			1	

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue

Potential Risk

Not all cash receipts were recorded in the accounting software.	Misappropriation of funds.	2								1											1	
Cash receipts were not entered into the accounting software with a detailed description.	Misappropriation of funds.	3						1						1								2
Receipt number was not recorded on the Cash Count Slip.	Insufficient audit trail.	2																	1			1
Restricted donations are posted to incorrect general ledger account and are not spent during the time period intended.	Misstatement of financial records.	3																				1
Manual Receipts do not contain required information.	Insufficient audit trail.	3								1												1
Cash Disbursements																						
Check Authorization Forms were not prepared for disbursements.	Funds spent without proper approval.	2																				1

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	Elementary School	# of Schools/Occurrences Where Finding is Noted
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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	1	1	1	1	1	1	1	1	1	1	1	1	9
Check Authorization Forms and Pcard Authorization Forms did not reflect the authorization signature of the teacher/activity advisor and/or the principal.	Funds spent without teacher/activity advisor knowledge or approval.	2	1												1							2
Checks were made payable to "Cash" or to the "school"	Inappropriate expenditures or insufficient audit trail	3	1																			1
Disbursements were not supported by adequate documentation.	Inappropriate expenditures or invalid reimbursements.	2		1	1	1	1	1				1					1					7
Disbursements were made directly from cash collections.	Misappropriation of funds.	2		1	1									1								3

SAF Audit Issues Summary for ALL Schools

**Schools Audited
in 2015**

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	Elementary School
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Audit Issue

Potential Risk

Audit Issue	Potential Risk	3	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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														2
PCard Payment Authorization Forms did not reflect the authorization signature of the teacher/activity advisor and/or the principal.	Funds spent without teacher/activity advisor knowledge or approval.	2							1								1	1				3
The Purchasing Card Usage Log was not completed.	Misappropriation of funds.	2										1										1
The minimum requirements for school purchase orders were not met.	Misappropriation of funds.	3	1	1																		2
Cash advances were paid to activity advisors.	Inappropriate spending of Student Activity Funds.	2																				1

of Schools/Occurrences Where Finding is Noted

SAF Audit Issues Summary for ALL Schools

Schools Audited in 2015

Audit Issue Ranking (A)	High Schools	AACT	Innovations High School	North Valleys High School	TNCC High School	Wooster High School	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	# of Schools/Occurrences Where Finding is Noted
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Audit Issue Potential Risk

Total Audit Issues	16	11	12	5	23	22	18	12	10	9	10	18	10	16	5	13	7	217
# of recurring issues	2	5	2	3	7	13	3	2	1	3	5	4	2	4	0	3	1	
Report Status (B) (C)	B	B	B	B	B	B	C	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 principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
- 3 Low Exposure of 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 may 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 if all issues are adequately addressed. A follow-up to the response may be performed in 12-18 months to determine that appropriate action has been taken.

HIGH SCHOOL AUDITS

Student Activity Fund Audits
Statistical Information
Fiscal Year 2015

Audited High Schools		AACT	Innovations	North Valleys	TMCC	Wooster
Statistical Information:						
FY15 Beginning Balance	*	\$ 156,087	\$ 60,462	\$ 380,777	\$ 42,186	\$ 402,581
FY15 Total Receipts	*	212,827	26,919	761,620	53,839	820,417
FY15 Total Disbursements	*	214,143	22,873	756,616	74,155	898,318
FY15 Ending Balance	*	154,771	64,508	385,780	21,870	324,681
FY15 Student Enrollment	**	524	253	2,061	223	1,734
FY15 Receipts Per Student		\$ 406.16	\$ 106.40	\$ 369.54	\$ 241.43	\$ 473.14
FY15 Disbursements Per Student		\$ 408.67	\$ 90.41	\$ 367.11	\$ 332.53	\$ 518.06

* Data Source: WCSS Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2015.

** Data Source: NDE 2014 - 2015 Accountability Report

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Risk Rating	Audit Issue Ranking (A)					# of Schools/Occurrences Where Finding is Noted
			High Schools	AACT	Innovations High School	North Valleys High School	TMCC High School	
Administrative Regulations								
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
The fees charged to students for P.E. uniforms exceed cost.	Profiting from student fees projects a negative image to taxpayers and the general public.	3	1				1	2
A "principal fund" fee is charged to each student and is deposited in to the Principal's Fund.	Misuse of Student Activity Funds. Poor public image	2			1			1
Fundraiser profit/loss analysis not performed.	Misappropriation of funds.	2			1		1	2

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
Revenues and expenditures were not allocated properly in the school's accounting system.	Misappropriations of funds.	3	1					1
The minimum requirements established for vending programs were not implemented.	Misappropriation of funds.	2	1			1		2
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		2
Printing expenses not allocated properly in the general ledger.	Activity funds not used for their intended purpose.	2				1		1

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
Appropriateness of Expenditures from Restricted Funds								
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	5
General Ledger Accounting								
Transfer Authorization Forms did not contain proper authorizing signatures or supporting documentation.	Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.	3	1	1			1	3
Transactions are posted to incorrect GL accounts.	Misstatement of financial records.	3				1		1
Administrator's approval signature was not evidenced on adjustments.	Misappropriation of funds.	3				1		1

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
Monthly Bank Reconciliations/Reporting								
Monthly bank reconciliation reports and Summary Trial Balance reports were not received by the Business Office by the deadline established in the SAFPPM.	Manipulation of accounting 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
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds resulting in the misappropriation of funds.	3		1		1		2
Cash Receipts								
Bank deposits were not made in accordance with the timeframes established in the SAFPPM.	Misappropriation of funds.	2	1	1	1	1	1	5
The registrar/secretary or bookkeeper verifies funds alone.	Misappropriation of cash collected.	2				1		1

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
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 used.	Misappropriation of funds.	2	1				1	
Cash Count Slips were not completed in their entirety.	Lack of adequate audit trail resulting in misappropriation of funds.	3		1			1	
Incoming checks were not restrictively endorsed when received.	Checks could be obtained by illegal means and cashed by persons other than the intended recipient.	3	1				1	
Change was made or personal checks were cashed from collected funds.	Misappropriation of funds.	2	1				1	
Cash disbursements were made directly from cash collections.	Misappropriation of funds.	2		1		1	2	
Restricted donations are posted to incorrect general ledger account and are not spent during the time period intended.	Misstatement of financial records.	3				1	1	
<i>Cash Disbursements</i>								
Checks were made payable to "Cash" or to the "school"	Inappropriate expenditures or insufficient audit trail	3	1				1	

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
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	2	
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	
An excessive amount of the Principal's Discretionary Fund within Student Activity Funds 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	5	
Reimbursement checks issued for incorrect amounts.	Inappropriate spending of Student Activity Funds.	2	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		2	
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	

SAF Audit Issues Summary for High Schools

High Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	High Schools					# of Schools/Occurrences Where Finding is Noted
			AACT	Innovations High School	North Valleys High School	TMCC High School	Wooster High School	
Cash advances were paid to activity advisors.	Inappropriate spending of Student Activity Funds.	2					1	1
Total Audit Issues			13	8	11	5	20	57
# and % of recurring issues			2	5	2	3	7	28%
Report Status (B) (C)			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 principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
- 3 Low Exposure of 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 may 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 if all issues are adequately addressed. A follow-up to the response may be performed in 12-18 months to determine that appropriate action has been taken.

MIDDLE SCHOOL AUDITS

Student Activity Fund Audits
Statistical Information
Fiscal Year 2015

Audited Middle Schools		/ / / / / / / /						
		<i>Billinghurst</i>	<i>Dilworth</i>	<i>Shaw</i>	<i>Sparks</i>	<i>Swope</i>	<i>Trainer</i>	<i>Vaughn</i>
Statistical Information:								
FY15 Beginning Balance	*	\$ 73,360	\$ 25,377	\$ 74,297	\$ 47,177	\$ 40,472	\$ 20,910	\$ 13,552
FY15 Total Receipts	*	258,702	65,790	111,011	154,638	217,208	52,466	42,637
FY15 Total Disbursements	*	271,307	66,888	123,527	155,369	187,161	55,124	40,955
FY15 Ending Balance	*	60,754	24,279	61,781	46,446	70,520	18,252	15,234
FY15 Student Enrollment	**	931	583	1008	732	704	755	650
FY15 Receipts Per Student		\$ 277.88	\$ 112.85	\$ 110.13	\$ 211.25	\$ 308.53	\$ 69.49	\$ 65.59
FY15 Disbursements Per Student		\$ 291.42	\$ 114.73	\$ 122.55	\$ 212.25	\$ 265.85	\$ 73.01	\$ 63.01

* Data Source: WCSD Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2015.

** Data Source: NDE 2014-2015 Accountability Report

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Middle Schools								# of Schools/Occurrences Where Finding is Noted
			Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School		
Administrative Regulations											
A District employee is an authorized signor on outside PTA/PTO checking account.	Noncompliance with requirements.	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
Money collected from students for classroom/lab fees was not spent on those students nor made available for the operational cost of providing the materials or services to the students.	Students don't get the full experience from the activity/class for which they paid.	3			1						1
The fees charged to students for P.E. uniforms were in excess of the cost.	Poor public perception. Misappropriation of funds.	3	1	1				1	1		4
No documented approval of fundraisers.	Fundraising activities held without the principal's knowledge. Mishandling of profits.	2	1		1		1				3
The minimum requirements established for vending programs were not implemented.	Misappropriation of funds.	2	1								1

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Middle Schools								# of Schools/Occurrences Where Finding is Noted		
			Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School				
Fundraiser proceeds were posted to the incorrect general ledger account	Misstatement of financial records. Fundraiser proceeds not used for their intended purpose.	2								1	1		
<i>Appropriateness of Expenditures from Restricted Funds</i>													
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	
<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					1	4	
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	
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	

RECOMMENDED BY THE AUDIT COMMITTEE TO BE MOVED FORWARD TO THE BOARD OF TRUSTEES FOR APPROVAL.

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Middle Schools							# of Schools/Occurrences Where Finding is Noted
			Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	
Transfer Authorization Forms did not contain proper authorizing signatures or supporting documentation.	Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.	3		1		1		1		3
Not all check numbers were recorded in the accounting system.	Lack of adequate audit trail.	2					1			1
Voided checks not maintained.	Misappropriation of funds.	3	1							1
Transactions are posted to incorrect GL accounts.	Misstatement of financial records.	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			2
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						2

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Middle Schools								# of Schools/Occurrences Where Finding is Noted
			Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School		
Monthly bank reconciliation reports and Summary Trial Balance reports were not received by the Business Office by the deadline established in the SAFPPM.	Manipulation of accounting records.	3							1		1
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
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
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds resulting in the misappropriation of funds.	3		1	1	1			1		4
Requested documents were not provided as required.	Insufficient audit trail.	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	1	1	1	1		7

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Middle Schools								# of Schools/Occurrences Where Finding is Noted
			Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School		
The secretary verifies funds alone. At times, funds are left unsecured on the secretary's desk.	Misappropriation of funds.	2	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		1	1		5
Funds collected in the classroom were not turned in to the office in a timely manner.	Misappropriation of funds.	2	1			1			1		3
Cash Count Slips were not completed in their entirety.	Lack of adequate audit trail resulting in misappropriation of funds.	3	1		1	1			1		4
Cash Count slips were either not used or were not completed in their entirety when used.	Lack of adequate audit trail resulting in misappropriation of funds.	2		1							1
Incoming checks were not restrictively endorsed when received.	Checks could be obtained by illegal means and cashed by persons other than the intended recipient.	3			1	1		1			3
Cash receipts were not entered into the accounting software with a detailed description.	Misappropriation of funds.	3	1						1		2
Not all cash receipts were recorded in the accounting software.	Misappropriation of funds.	2			1						1
Manual Receipts do not contain required information.	Insufficient audit trail.	3		1							1

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue

Cash Disbursements

Potential Risk

Check Authorization Forms were not prepared for disbursements.

Funds spent without proper approval.

2

1

1

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

5

Disbursements were not supported by adequate documentation.

Inappropriate expenditures or invalid reimbursements.

2

1

1

1

1

4

Cash disbursements were made directly from cash collections.

Misappropriation of funds.

2

1

1

Payments made directly to non-school district individuals (Independent Contractors) for services rendered.

Exposure to IRS penalties.

3

1

1

An excessive amount of the Principal's Discretionary Fund within Student Activity Funds was spent on school staff incentive awards and office lunches.

Projects a negative image to taxpayers and the general public.

3

1

1

1

3

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

*Audit Issue Ranking (A)
Middle Schools*

Billinghurst Middle School

Dilworth Middle School

Shaw Middle School

Sparks Middle School

Swope Middle School

Traner Middle School

Vaughn Middle School

*# of Schools/Occurrences Where
Finding is Noted*

**SAF Audit Issues Summary for
Middle Schools**

**Middle Schools Audited in
2015**

Audit Issue Ranking (A)	Middle Schools	Billinghurst Middle School	Dilworth Middle School	Shaw Middle School	Sparks Middle School	Swope Middle School	Traner Middle School	Vaughn Middle School	# of Schools/Occurrences Where Finding is Noted
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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 may 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 if all issues are adequately addressed. A follow-up to the response may 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 2015

Audited Elementary Schools		Corbett	Duncan	Dunn	Moss	Towles	
Statistical Information:							
FY15 Beginning Balance	*	\$ 21,973	\$ 24,219	\$ 36,105	\$ 21,314	\$ 13,765	
FY15 Total Receipts	*	23,836	36,775	74,349	39,863	38,188	
FY15 Total Disbursements	*	24,009	33,183	72,421	41,210	43,887	
FY15 Ending Balance	*	21,799	27,811	38,034	19,967	8,066	
FY15 Student Enrollment	**	507	444	533	590	353	
FY15 Receipts Per Student		\$ 47.01	\$ 82.83	\$ 139.49	\$ 67.57	\$ 108.18	
FY15 Disbursements Per Student		\$ 47.36	\$ 74.74	\$ 135.87	\$ 69.85	\$ 124.33	

* Data Source: WCSO Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2015.

** Data Source: NDE 2014-2015 Accountability Report

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue

Administrative Regulations
Activity Account Review

Potential Risk

Audit Issue Ranking (A)
Elementary Schools
Corbett Elementary School
Duncan Elementary School
Dunn Elementary School
Moss Elementary School
Towles Elementary School
of Schools/Occurrences Where Finding is Noted

Fees collected from students were not expended on the students from whom they were collected.	Diminished fundraising support from the public.	3	1	1	2
The fees charged to students for P.E. uniforms exceed cost.	Profiting from student fees projects a negative image to taxpayers and the general public.	3	1		1
Revenues and expenditures were not allocated properly in the school's accounting system.	Misappropriations of funds.	3	1		1
Fundraiser proceeds were posted to the incorrect general ledger account	Misstatement of financial records. Fundraiser proceeds not used for their intended purpose.	2	1		1

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue

*Appropriateness of Expenditures from Restricted Funds
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.

Potential Risk

Misappropriation or theft of funds.

Audit Issue Ranking (A)
Elementary Schools
Corbett Elementary School
Duncan Elementary School
Dunn Elementary School
Moss Elementary School
Towles Elementary School
of Schools/Occurrences
Where Finding is Noted

2	1	1	1	1	4
3			1		1
2	1				1
3	1				1
3	1		1		2
3	1				1

General Ledger Accounting

Change fund not recorded as an asset.

Misstatement of financial records

Certain activity accounts reflected negative balances.

Expenditures exceeding available funds.

Transfer Forms were not used to evidence transfers/adjustments between activity funds.

Lack of adequate trail. Unauthorized transfers between activity accounts.

Transfer Authorization Forms did not contain proper authorizing signatures or supporting documentation.

Inappropriate transfers between activity accounts without knowledge or approval of responsible parties.

Transactions are posted to incorrect GL accounts.

Misstatement of financial records.

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue	Potential Risk	Audit Issue Ranking (A)	Elementary Schools					# of Schools/Occurrences Where Finding is Noted
			Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	
Voided checks were not properly defaced.	Checks may be altered by someone who might obtain such checks in an illegal manner.	3	1				1	2
Transactions were not entered into the school's accounting software in a timely manner.	Misappropriation of funds.	3			1			1
Monthly Bank Reconciliations/Reporting								
Monthly bank reconciliation reports and Summary Trial Balance reports were not received by the Business Office by the deadline established in the SAFPPM.	Manipulation of accounting records.	3		1				1
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
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
Questions were answered incorrectly on the Principal's Monthly Checklist .	Lack of adequate oversight of Student Activity Funds resulting in the misappropriation of funds.	3	1	1	1	1	1	5

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue

Potential Risk

Audit Issue Ranking (A)
Elementary Schools
Corbett Elementary School
Duncan Elementary School
Dunn Elementary School
Moss Elementary School
Towles Elementary School
of Schools/Occurrences Where Finding is Noted

Cash Receipts

Bank deposits were not made in accordance with the timeframes established in the SAFPPM.	Misappropriation of funds.	2	1	1	1	1	1	5
The registrar/secretary or bookkeeper verifies funds alone.	Misappropriation of funds.	2	1			1		2
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
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	4
Cash Count Slips were not completed in their entirety.	Lack of adequate audit trail resulting in misappropriation of funds.	3		1				1
Receipts were dated incorrectly and/or Cash Count Slips were completed after receipts were issued.	Banking errors. Misappropriation of funds.	3			1			1
Receipt number was not recorded on the Cash Count Slip.	Insufficient audit trail.	2				1		1

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue

Potential Risk

Cash Disbursements

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

2

Disbursements were not supported by adequate documentation.

Inappropriate expenditures or invalid reimbursements.

2

1

1

Individuals authorized to sign checks signed checks made out in their name.

Collusion. Misappropriation of funds.

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.

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

Audit Issue Ranking (A)
Elementary Schools

Corbett Elementary School

Duncan Elementary School

Dunn Elementary School

Moss Elementary School

Towles Elementary School

of Schools/Occurrences
Where Finding is Noted

SAF Audit Issues Summary for Elementary Schools

Elementary Schools Audited in 2015

Audit Issue

Potential Risk

		Audit Issue Ranking (A)					# of Schools/Occurrences Where Finding is Noted	
		Elementary Schools	Corbett Elementary School	Duncan Elementary School	Dunn Elementary School	Moss Elementary School	Towles Elementary School	
An excessive amount of the Principal's Discretionary Fund within Student Activity Funds was spent on school staff incentive awards and office lunches.	Projects a negative image to taxpayers and the general public.		1					1
Check Authorization Forms and Pcard Authorization Forms did not reflect the authorization signature of the teacher/activity advisor and/or the principal.	Funds spent without teacher/activity advisor knowledge or approval.		1		1	1		3
Total Audit Issues			10	16	5	13	7	51
# and % of recurring issues			2	4	0	3	1	20%
Report Status (B) (C)			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 principal. Issue may be material and, if not resolved, could result in inefficient management or ineffective oversight of student activity funds.
- 3 Low Exposure of 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 may 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 if all issues are adequately addressed. A follow-up to the response may be performed in 12-18 months to determine that appropriate action has been taken.