

Internal Audit Report

Concord Elementary School

School Activity Funds

For the Period Ended June 30, 2024

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For Period Ended June 30, 2024**

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Internal Auditor's Report

We have examined the School Activity Funds (SAF) of Concord Elementary School for the period September 1, 2017, to June 30, 2024. Concord Elementary School's acting principal is responsible for the administration of the SAF. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards and, accordingly, included examining, on a test basis, evidence supporting SAF, and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed the following findings: *Administration of Financial Records*

The noted finding resulted in a material deviation from Board of Education (BOE) policies and procedures and the requirements of the Accounting Procedures Manual for the School Activity Funds (APM).

In our opinion, there is significant non-compliance with BOE policies and procedures and the APM, for Concord Elementary School SAF, for the period ended June 30, 2024.



Janice Walters-Semple, CPA, Acting Director
Internal Audit

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SUMMARY

The Internal Audit Department completed an audit of the school activity funds (SAF) for Concord Elementary School for the period September 1, 2017, to June 30, 2024. The audit was conducted as part of the annual audit plan and because of the school's permanent closure effective June 30, 2024.

The audit report includes a finding which occurred under the leadership of the current principal. The finding and the personnel responsible are included in the appendix at the end of the audit report. In addition, detailed findings are cited on the following page with accompanying recommendations for corrective action. The audit results determined that there was a significant non-compliance with the requirements of the Accounting Procedures Manual for School Activity Funds (APM) during the audit period.

OBJECTIVES

The objectives of the audit were to determine the effectiveness of the system of internal controls and whether the school was in compliance with the policies and procedures of the Accounting Procedures Manual for School Activity Funds (APM) and the Board of Education (BOE). It is important to recognize that, while the audit report focused on deficiencies, it was intended to be constructive. The audit was not designed and conducted to evaluate the effectiveness of the educational programs in the school. Therefore, the absence of comments related to the educational programs should not be construed to imply that these programs are either adequate or deficient.

SCOPE

The audit was based on our examination of available bank statements, financial reports, cancelled checks, all voided checks and Monetary Transmittal Form (MTF) envelopes submitted for the period September 1, 2017, to June 30, 2024. Also, available receipts, disbursements and supporting documentation were reviewed for the said period. ***Certain financial records requested for review were not provided. See Finding 2025.01, Financial Records Not on File.***

This is an audit of funds related to students' activities at the school and does not include SOR funds or any funds not derived from students' activities for the audit period.

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FINDINGS AND RECOMMENDATIONS

The audit resulted in the following findings and recommendations:

2025.01 Administration of Financial Records

- **FY 2017-2018 28 Canceled Checks** - were not on File
- **FY 2018-2019 18 Voided Checks** - could not be located for review
- **5 Voided Checks** - were not properly defaced

The APM Section 6.12, *Record Retention*, requires the retention of financial records for 7 years and or until audited including the current fiscal year. This includes but is not limited to, financial reports, bank statements, receipts, disbursement authorities, monetary transmittal forms, school funds expenditure forms, canceled checks, and contracts.

According to the APM the signature line on a voided check must be removed during the check voiding process.

According to the principal “There was a check scam problem at the school and the checks were removed in order to identify how many checks were used.” The former recordkeeping staff was not available to provide an explanation for the unavailable canceled checks and voided checks. No explanation was obtained for the improperly defaced voided checks since the recordkeeping staff responsible for voiding the checks was no longer at the school.

The absence of a reliable records management system affects the retrieval and accessibility of requested documentation to substantiate the school’s disbursement transactions. The audit fieldwork was impacted by the school’s inability to provide disbursement records. Evidence for determining that all SAF policies and procedures were followed is removed when financial records are unavailable for review. Failure to remove the signature line from checks during the voided check process increases the risk of check fraud.

Recommendation: No audit recommendation is provided since the school was closed as of June 30, 2024.

STATUS OF PRIOR AUDIT FINDINGS

The previous audit report for Concord Elementary School was issued for the period ended August 31, 2017. During the previous audit, the current acting principal and the current recordkeeping staff were not on staff. There were 5 findings noted as a result of the prior audit and the current status is summarized below:

- **Mismanagement of Funds Received** - *This condition was not noted during this audit.*

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- **Mismanagement of Disbursements** - *This condition was not noted during this audit.*
- **Depository Safe Not on School Premises** - *This condition was not noted during this audit.*
- **Administration of Voided Checks** - *still exists, See 2025.01 regarding Administration of Financial Records.*
- **Fundraiser Forms – Reports Not Completed** -. *This condition was not noted during this audit.*

ACKNOWLEDGEMENT

We would like to thank the former principal and staff of Concord Elementary School for their cooperation and assistance extended during the audit.



**Concord Elementary School
Student Activities Funds
Audit Report Appendix - Findings Timeline
June 30, 2024**

AUDIT FINDINGS	Dana Dogget, Ed.D Former Principal (07/01/17 - 04/28/24)	Brittany Perry, Former Recordkeeping Staff (09/28/18 - 01/23/20)	Christine Cooper, Recordkeeping Staff (02/04/20 - Current)
2025.01 Administration of Financial Records not on File	X	X	X