




MEMORANDUM

DATE: June 22, 2020

TO: Audit Committee of the School Board of the City of Virginia Beach

FROM: Terrie L. Pyeatt, CPA 
Director, Office of Internal Audit

SUBJECT: Expenditure Analysis – Office of the Superintendent

BACKGROUND

As part of the FY20 Audit Work Plan, the Office of Internal Audit (IA) has performed an Expenditure Analysis for the Office of the Superintendent. This work does not constitute an audit conducted in accordance with generally accepted government auditing standards.

The Office of the Superintendent’s mission is to lead Virginia Beach City Public Schools to empower every student to become a life-long learner who is a responsible, productive and engaged citizen within the global community.

PROJECT OBJECTIVES

The primary objective of this project was to ensure expenditures were properly processed.

PROJECT SCOPE AND METHODOLOGY

IA reviewed non-salary/benefit related expenditures recorded in the Office of the Superintendent’s budget codes, 54200 and 64200, for the period March 1, 2019 – February 29, 2020. For this period, 216 expenditures totaled \$98,510. IA examined 100% of these expenditures. IA regrouped and summarized the transactions based on expenditure type.

IA reviewed these expenditures and supporting documentation to determine if:

- The payment amount and payee matched the supporting documentation;
- The payment was made in a timely manner;
- The general ledger account coding was reasonable;
- Proper approval was obtained;
- The expenditure appeared to align with the Office of the Superintendent's function;
- The expenditure appeared reasonable;
- Contracts over \$5,000 were approved by either the Office of Business Services or the Office of Purchasing Services; and
- Procurement guidelines were followed on all expenditures, all attached related contracts, and all related purchase orders exceeding \$10,000.

RESULTS

Summary of Expenditures Analyzed

IA summarized the analyzed expenditures into the following categories. Note that these categories are grouped by the general type of expenditure, not by general ledger account code.

Category	Amount
Dues and memberships	\$ 42,927
Professional learning, out of town expenditures	
Office of the Superintendent staff	\$ 13,096
Other VBCPS employees	4,385
Total professional learning, out of town expenditures	17,481
Food services	
Coffee for School Administration building	4,335
Holiday luncheon for School Administration building	3,250
School Support Process Retreat	1,809
Citywide roundtable	1,549
Teacher forums/assemblies	1,315
Assistant of the Year	1,000
United Way meeting	699
Senior staff meetings	532
Other	631
Total food services	15,120
Copier	7,661
Consultants	
Facilitation services for School Support Process Retreat	5,500
Other	1,500 *
Total consultants	7,000
Printing services and toner	2,164
Computers and computer supplies	2,095
Other expenditures	
Office supplies	921
Promotional items, such as lanyards and tumblers	825
Region II Superintendents' service recognition	685
Subscriptions	516
Local travel	151
Miscellaneous	964
Total other expenditures	4,062
Total	\$ 98,510

* See Account Coding comment below.

Processing of Transactions

We found that the above expenditures appeared to be properly processed with the following exceptions:

Proper Approval

IA noted that three of the 216 purchases and/or payments tested were made without proper approval.

- One purchase of a copier for \$7,661.00 was approved by the Department of Technology but not by a signature authority for the Office of the Superintendent.
- A travel expenditure for two of Dr. Bergin's trips were not included on his approved travel claims. The amount of each expenditure was \$24.69 and \$439.00. All travel-related costs should be included on the travel claim forms. Neither of these payments created an overpayment or an underpayment to Dr. Bergin.

Account Coding

IA noted five of the 216 payments tested were coded to an incorrect account:

- Four payments for training/consulting services were partially coded improperly to the Office of the Superintendent's budget unit. The invoices agreed to the corresponding contract, but the payment was split between three different departments based on the amounts budgeted for the contract. These discrepancies appear to relate to how the items were receipted in BuySpeed, the purchasing/payment software for VBCPS. The total amount that should have been coded to the Office of the Superintendent's budget unit was \$3,000 not \$1,500.
- One receipt for food at an on-site meeting totaling \$101.84 was coded to Travel/Professional Improvement instead of Food Services.

IA would like to thank the management and staff of the Office of the Superintendent for their assistance throughout this project.

cc: Dr. Aaron C. Spence, Superintendent