



MEMORANDUM

DATE: March 17, 2022

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

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

**SUBJECT: Change in Bookkeeper School Activity Funds Audit
Kempsville Middle School – Exceptions Noted**

The school activity funds of Kempsville Middle School were audited for the six-month period from July 1, 2021 to December 31, 2021. The primary purpose of the audit was to determine if cash balances were properly stated as of December 31, 2021, but an important secondary purpose was to determine the level of compliance with policies and procedures. This report details the items the Office of Internal Audit (IA) noted at the school that were in direct conflict with Virginia Beach City Public Schools (VBCPS) policies and procedures and/or best practices but do not have a material effect on the financial statements.

Audit results are based on School Board policies and regulations, accounting procedures, and proper internal controls. Audit results are included in this report and were reviewed with the principal. The following items were examined during the audit:

Cash Receipts

- Controls and safeguards over cash receipts;
- Timeliness of deposits;
- Collections by staff and the timely transmittal of these receipts to the bookkeeper; and
- A sample of receipts for accuracy and compliance with policies, regulations, and procedures.

Cash Disbursements

- Canceled checks for proper signatures;
- Procurement for compliance with policies, regulations, and procedures; and
- A sample of expenditures for proper supporting documentation and compliance with policies, regulations, and procedures.

Other Areas

- Fund transfers for proper use;
- Other accounts as to the purpose, source, and use of funds; and
- Analysis of the financial statement.

The following discrepancy was noted during the audit:

Exception No. 1: Late Deposit

One deposit was deposited late. Funds totaling \$15 were collected on 10/1/21 but were not deposited until 10/6/21. Sponsors are required to turn in funds daily, and the bookkeeper is required to deposit all funds received daily.

cc: Dr. Tamara D. Cornick, Principal
Dr. James J. Smith, Senior Executive Director of Middle Schools
Dr. Eugene F. Soltner, Chief Schools Officer

Mr. Daniel G. Hopkins, Director, Office of Business Services
Ms. Crystal M. Pate, Chief Financial Officer