



MEMORANDUM

DATE: May 26, 2022

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

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

SUBJECT: **Change in Bookkeeper School Activity Funds Audit
Newtown Elementary School – Exceptions Noted**

The school activity funds of Newtown Elementary School were audited for the nine-month period from July 1, 2021 to March 31, 2022. The primary purpose of the audit was to determine if cash balances were properly stated as of March 31, 2022, 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 discrepancies were noted during the audit:

Exception No. 1: Previous Bookkeeper Not Removed as Authorized Signer

The previous bookkeeper was not removed from the school's bank account as an authorized signer in a timely manner. The previous bookkeeper left the school on 2/28/22 and the new bookkeeper started 3/2/22. The previous bookkeeper was not removed from the bank account until 4/25/22. Leaving a former employee on the bank account as an authorized signer increases the risk of fraud.

cc: Ms. LaTishia A. Wilson, Principal
Ms. Danielle E. Colucci, Senior Executive Director of Elementary Schools
Dr. Eugene F. Soltner, Chief Schools Officer

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