

Follow Up Internal Audit Report

Management of Student Activity Funds

Covington High School

January 31, 2024

St. Tammany Parish School System

Office of Internal Audit

Audit Objectives

The objectives of the audit were to determine if the appropriate action was taken to implement the recommendations noted in the May 9, 2023 audit report. Regarding scope, a limited audit of the financial records of Covington High School (CHS) from June 1, 2023 to December 31, 2023 was completed (specifically for only the audit observations noted in the original May 9, 2023 report). For those items selected, the purpose of the audit was to determine if the school's financial records, policies, and procedures were maintained in accordance with the St. Tammany Parish School Board Administrative Guidelines and Louisiana Revised Statutes.

This audit included tests of the accounting records and other auditing procedures deemed necessary. These test were performed to ensure that financial transactions contained the following characteristics:

- All transactions were properly authorized
- Segregation of duties
- Supporting documentation

Results of the Follow up:

1. Compliance With Fund Collections / General Receipting – Providing Receipts When Collecting Funds

Original Observation:

As part of the receipts testing, a sample of twenty-one deposits were reviewed to ensure the receipting process was complete and compliant. A review of these transactions indicated that many of the receipt transactions sampled were not documented in compliance with the STPSB School Finance Handbook. Exceptions included the following:

- The STPSB fund collection policy requires each individual collecting school funds should complete a two-part School Deposit Receipt form for all funds received and to deliver the funds to the bookkeeper daily. Testing of receipt transactions revealed that teachers and staff were using the School Money Collection Form but were not completing the form.
- When the funds were collected and the forms were completed, the teachers were not always indicating the date funds were collected or were omitting the date the funds were provided to the bookkeeper. By not completing the form, it is difficult to determine when staff actually received funds from students and/or parents and when the staff provided the funds to the bookkeeper.

Original Recommendation:

All persons receiving money are required to issue receipts to the individual giving them the funds. Each individual, teacher or sponsor collecting school funds should complete a two-part School Money Collection Form for all funds received and deliver the funds to the bookkeeper daily. If using a two-part receipt book, one part goes to the parent/student and one stays in the receipt book. The receiver should then provide this dated form with the list of all names and amounts to the bookkeeper.

Original Management Action Plan:

We will reemphasize to the faculty and staff the importance of making sure receipts are issued for any money collected. We will also stress the importance of making sure that the Money Collection Form and receipt is filled out completely with the date, name, amount, and signature.

Follow Up Observation:

A review of ten deposits indicated all receipt documentation was complete and compliant.

2. Compliance With Outstanding Check Policy

Original Observation:

While reviewing the most current school bank checking account statement and related bank reconciliation, it was noted that the reconciliation contained six checks that were outstanding for more than 12 months.

Original Recommendation:

All bank balances must be reconciled with book balances each month. All outstanding checks thirteen months and older should be voided.

Original Management Action Plan:

I will reemphasize the importance of voiding outstanding checks in a timely manner according to district policy. The aforementioned checks cited in the report have been voided.

Follow Up Observation:

A review of each month's outstanding check listing determined the school's bookkeeper is ensuring all checks outstanding for more than 12 months are voided.