



# VIRGINIA BEACH CITY PUBLIC SCHOOLS

## CHARTING THE COURSE

### MEMORANDUM

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

**FROM:** Ms. Karen W. Woodson, CIA, CFE<sup>KW</sup>  
School Board Internal Auditor, Department of Internal Audit

**SUBJECT:** Expenditure Analysis – Office of Distribution Services

**DATE:** February 26, 2025

### BACKGROUND

As part of the calendar year 2025 Audit Work Plan, the Department of Internal Audit (IA) has performed an Expenditure Analysis for the Office of Distribution Services (ODS) within the Department of School Division Services. This work does not constitute an audit conducted in accordance with generally accepted government auditing standards.

### PROJECT OBJECTIVES

The primary objective of this project was to ensure expenditures were processed according to VBCPS requirements.

### PROJECT SCOPE AND METHODOLOGY

IA reviewed non-salary/benefit related expenditures recorded in Fund 115 for ODS Cost Center 8414 for the period January 1, 2024 – December 31, 2024. For this period, expenditures totaled approximately \$299,563. IA examined 100% of these expenditures, then regrouped and summarized them based on expenditure type.

IA reviewed these expenditures to determine if:

- The signature authority approved the transaction;
- The items purchased were reasonable based on the function of the office;
- The transactions were coded to the correct general ledger account;
- The final approval for payment was received within 45 days of the invoice date or the date the goods or services were received;
- The approved payment amount and vendor matched the invoice;
- The invoice amount matched any contracts referenced in Oracle, if applicable;
- The contract attached or referenced in Oracle was approved/signed, if applicable;
- and
- Procurement guidelines were followed for transactions over \$10,000.

## RESULTS

### Summary of Expenditures Analyzed

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

<b>Category</b>	
<b>Postage/shipping</b>	
Rocket Media	\$100,032.40
USPS	11,720.00
Federal Express	3,050.65
Digital scale	201.74
<b>Furniture</b>	
Folding tables	62,929.62
Folding chairs	13,974.70
Carts for tables and chairs	5,871.84
<b>Computer equipment/technology related accessories</b>	
Inventory management software	44,814.00
iPads	2,940.00
Technology related accessories	959.26
<b>Other</b>	
Cell phone service	6,998.90
Inter-departmental envelopes	5,965.40
Textbook recycling	5,677.71
Standard envelopes	5,310.00
Uniforms	5,296.63
Food	709.41
Copier/print services	684.57
Television	270.80
Commercial Driver's License	35.00
<b>Equipment and supplies</b>	
Pressure washer	8,495.00
Pressure washer supplies	3,918.37
Pressure washer trailer	3,199.00
Pressure washer hoses/reel	2,521.78
Shrink wrap	1,864.00
Pallet rack	1,127.00
Other supplies	476.34
<b>Office supplies</b>	
Office Depot	2,500.80
Office supplies	176.73
Office Depot rebate	(2,158.95)
<b>Total expenditures analyzed</b>	<b>\$299,562.70</b>

## RESULTS, CONTINUED

### Processing of Transactions

IA found that the above expenditures were processed according to division requirements with the following exceptions:

### **Timeliness of Payments**

Eight invoices were paid late. *The Business Manual for Central Offices*, Section 7.1 Prompt Payment Requirements states, "The required payment date shall be...not more than forty-five days after goods or services are received..."

<b>Vendor</b>	<b>Invoice date</b>	<b>Payment date</b>	<b>Amount</b>
T-Mobile	11/11/2023	1/8/2024	\$ 639.03
T-Mobile	1/12/2024	3/4/2024	639.03
Four Season Recycling & Trading	8/7/2023	1/12/2024	301.12
Four Season Recycling & Trading	7/27/2023	1/12/2024	283.00
Four Season Recycling & Trading	7/25/2023	1/12/2024	269.12
Four Season Recycling & Trading	9/19/2023	1/12/2024	219.87
Four Season Recycling & Trading	7/11/2023	1/12/2024	199.25
Four Season Recycling & Trading	7/19/2023	1/12/2024	196.37
			\$2,746.79

### **Supporting Documentation/Approval of Signature Authority**

A transaction for \$32.40 was charged to ODS by the City of Virginia Beach (City). The charge was not approved by the signature authority, and Virginia Beach City Public Schools (VBCPS) did not have any information to explain the charge. After IA questioned the charge, the City provided a document showing the account code charged for fifty pieces of mail and the vendor's invoice showing the City's total Rocket Media bill for the month. There was no information to explain what was mailed or who requested it; in addition, VBCPS has a Rocket Media account that is used for VBCPS mail. *The Business Manual for Central Offices*, Section 3.1 C Execution of Transactions states, "Independent evidence shall be maintained that authorizations are issued by persons acting within the scope of their authority and that transactions conform to the terms of the authorizations."

We would like to thank the staff and management of the Office of Distribution Services for their cooperation throughout this project.

cc: Jack Freeman, Chief Operations Officer, Department of School Division Services  
Melisa A. Ingram, Executive Director of Facilities Services  
Sam L. Nix, Director of Custodial and Distribution Services